



STATE BOARD OF EQUALIZATION  
PROPERTY AND SPECIAL TAXES DEPARTMENT  
450 N STREET, SACRAMENTO, CALIFORNIA  
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064  
916 445-4982 • FAX 916 323-8765  
www.boe.ca.gov

CAROLE MIGDEN  
First District, San Francisco

BILL LEONARD  
Second District, Ontario

CLAUDE PARRISH  
Third District, Long Beach

JOHN CHIANG  
Fourth District, Los Angeles

STEVE WESTLY  
State Controller, Sacramento

TIMOTHY W. BOYER  
Interim Executive Director  
No. 2003/070

November 14, 2003

TO COUNTY ASSESSORS AND INTERESTED PARTIES:

**REVISED ADMINISTRATION OF THE WELFARE AND VETERANS'  
ORGANIZATION EXEMPTIONS – EFFECTIVE JANUARY 1, 2004**

Senate Bill 1062 (Stats. 2003, Ch. 471) amends statutory provisions relating to the welfare and veterans' organization exemptions, including Revenue and Taxation Code<sup>1</sup> sections 213.7, 214, 214.01, 214.8, 231, 254.5, 259.5, 259.7, and 272, and adds section 254.6. The amendments streamline the administration of the welfare and veterans' organization exemptions by eliminating duplicative review functions performed by the assessors and the State Board of Equalization (Board). These changes will be effective on January 1, 2004, and apply to claims filed on or after January 1, 2004, regardless of the claim year.

In general, the welfare and veterans' organization exemptions from local property taxes are available to property of organizations formed and operated exclusively for qualifying purposes (religious, scientific, hospital or charitable), which use their property exclusively for those purposes. Both the organizational and property use requirements must be met for the exemption to be granted.

In order to illustrate the general effect of the statutory changes, this letter includes a summary of the current joint administrative process, discusses the changes to the joint administration, and identifies the Board's and assessors' respective duties. Enclosed are the amended or added statutory provisions in strike out and underline format (Attachment A), and claim forms to be used for claims filed on or after January 1, 2004 (Attachment B). Attachment B provides a description and the purpose of each claim form.

**CURRENT ADMINISTRATIVE PROCESS**

Under existing law, the welfare and veterans' organization exemption is jointly administered by the Board and the county assessor, with each agency reviewing the same documents filed by claimants in order to determine if an exemption should be granted. Claims for the exemptions are

<sup>1</sup> All statutory references are to the Revenue and Taxation Code unless otherwise indicated.

filed yearly, in duplicate, by application with the county assessor; a separate claim is filed for each location.<sup>2</sup>

The assessor reviews the claim form and supporting documents and makes an initial determination of eligibility. The assessor then forwards the application and supporting documents, along with the assessor's recommendation, to Board staff, who conduct an independent review of the application and issues their own finding of eligibility. Both agencies independently review the claimant information on the form to determine whether organizational and property use requirements for exemption are met.

The existing statute requires the Board to make a finding as to the eligibility on every claim for each applicant and the applicant's property, and forward its finding to the assessor. If the Board staff's review results in a determination that a claimant and/or its property is partially or completely ineligible to receive the welfare or veterans' organization exemption, findings are issued to notify the claimant and the assessor. The Board staff's finding is issued to the organization, with a copy forwarded to the assessor of the county in which the property is located. Currently, the Board is responsible for reviewing all claims filed in the state, which now approaches 30,000.

If the claimant disagrees with the Board staff's determination as to the organization's or the property's eligibility for exemption, the claimant may request a hearing before the elected Members of the Board. The Board has discretion to grant or deny such requests. However, neither the Board decision granting a claim, nor the Board staff finding of eligibility is binding upon the assessor. Section 254.5, subdivision (b), provides that an exemption granted by the Board may be denied by the assessor. The assessor may not, however, grant an exemption that the Board has denied. If the assessor denies an exemption granted by the Board, the claimant's remedy is to file a claim for refund with the county board of supervisors and, if denied, file a refund action in superior court. Local assessment appeals boards do not have the authority to hear denials of exemption claims.

### **CHANGES TO THE JOINT ADMINISTRATION IN EFFECT JANUARY 1, 2004**

The statutory amendments separate the exemption claim review process to eliminate duplicative review functions. Under the new administration the Board will determine whether an *organization* is eligible for the welfare or veterans' organization exemption and the county assessor will determine whether the *use of the property* is eligible for the exemption.

### **REVISED BOARD DUTIES**

Board staff will no longer review exemption claim forms filed with the county assessor. The Board's role in the new administration centers on determining whether the organization itself is eligible to receive the welfare or veterans' organization exemption. In general, the organization will file a claim form with organizational documents (articles of incorporation, tax exemption

---

<sup>2</sup> Two forms are available for filing a welfare exemption claim: BOE-267 (*Claim for Welfare Exemption (First Filing)*), and BOE-267-A (*Claim for Welfare Exemption (Annual Filing)*). One form is available for filing a veterans' organization exemption claim: BOE-269-AH (*Claim for Veterans' Organization Exemption*).

letters, etc.) one time with the Board rather than in duplicate in each county that the claimant has property. If the Board determines that an organization qualifies, the Board will issue an *Organizational Clearance Certificate*; the claimant will provide a copy of the Organizational Clearance Certificate with claim forms filed in any of the 58 counties. In addition to reviewing claims for an Organizational Clearance Certificate, Board duties include notifying claimants and assessors of ineligibility and revocation, conducting hearings on denials of organizational clearance certificates, conducting audits/and or verification of organizations, and reviewing the assessor's administration of the welfare exemption (sections 254.6 and 254.5, as amended). The following includes a brief summary of each of the Board's duties under the new administration.

#### Organizational Clearance Certificate Claims and Qualification

Organizations seeking the welfare or veterans' organization exemption from the assessor must have an organizational clearance certificate in order for the exemption to be granted. Claims for Organizational Clearance Certificates are filed with the Board.<sup>3</sup> Board staff will review claims for Organizational Clearance Certificates filed by organizations that intend to claim the welfare or veterans' organization exemption to determine if the organization is organized and operated exclusively for a qualified purpose(s), and otherwise meets the requirements of section 214. The claim must be accompanied by organizational documents (articles of incorporation and other formative documents, tax exemption letters, financial statements of the organization, etc.) and must include the corporate identification number and mailing address. In the review, Board staff will consider, among other matters, whether the services and expenses are excessive and whether the operations of the organization directly or indirectly materially enhance the private gain of any individual(s). Upon the Board's determination that an organization qualifies, the Board will issue an *Organizational Clearance Certificate* that will remain valid until the Board determines that the organization no longer meets the requirements.

Organizations currently eligible for the welfare or veterans' organization exemptions will automatically receive an *Organizational Clearance Certificate*. These certificates, along with a letter describing the differences in filing requirements resulting from the change in the joint administration, will be distributed to organizations at the end of this year. These organizations do not need to file claim form BOE-277 or BOE-279 with the Board. Only organizations that intend to claim the welfare or veterans' organization exemption and are not currently eligible for these exemptions in any county in the state (i.e., new to the state) are required to file a claim form requesting an organizational clearance certificate.

The Board will maintain a list of organizations with a valid organizational clearance certificate. This list will be posted on the Board's website and will be updated on a quarterly basis. Additionally, the Board will notify assessors of qualifying organizations on a periodic basis by letter.

#### Notification of Ineligibility and Revocation

Another duty that will be conducted by Board staff under the new administration involves notification of ineligibility or revocation. If Board staff determines that an organization is not eligible for an organizational clearance certificate, or if once granted, Board staff determines that an organization no longer meets the exemption requirements of section 214, the Board will

---

<sup>3</sup> Claims are made on the following forms: BOE-277, *Claim for Organizational Clearance Certificate—Welfare Exemption* or BOE-279, *Claim for Organizational Clearance Certificate—Veterans' Organization Exemption*.

notify the claimant of the ineligibility or revocation. In addition, Board staff will notify assessors, on a periodic basis, of organizations that have had their organizational clearance certificate revoked.

After reviewing claims for Organizational Clearance Certificates, Board staff will issue BOE-277-F to notify claimants of staff's finding as to eligibility for an Organizational Clearance Certificate. If the finding indicates that qualification has "not been met," then the Board will also send the claimant BOE-277-F1, *Welfare or Veterans' Organization Exemption, Organizational Clearance Certificate—Preliminary Notice*. The claimant has 30 days to provide additional information in response to the initial notice of ineligibility (BOE-277-F1) or to request a 30-day extension to provide additional information. If after review of the additional information, Board staff determines that the claimant remains ineligible, the Board will issue a final notice of ineligibility (BOE-277-F2, *Welfare or Veterans' Organization Exemption, Organizational Clearance Certificate—Final Notice*).

#### Board hearings on denial of organizational certificate

If the claimant disagrees with the Board's determination of ineligibility for an *Organizational Clearance Certificate*, the claimant may file an appeal of the Board staff's finding within 60 days of the date of mailing of the final notice of ineligibility (BOE-277-F2) with the Board Proceedings Division. The appeal may be submitted to the Board for a decision without a hearing (the claimant and the Board agree in writing), or the Board will conduct a hearing in accordance with the Board's Rules of Practice.<sup>4</sup> If the Board denies the organization's claim for an organizational clearance certificate as a result of appeal, its remedy is to file a claim for refund of property taxes with the local county board of supervisors. If the refund claim is denied, the organization may file a refund action in superior court.

#### Audit and/or Verification of Organizations

As part of its statutory duties, the Board may conduct an audit or verification of an organization to determine if the organization meets the requirements of section 214. In regard to this duty, Board staff will mail claims to each organization once every 3 years. The claim form, BOE-277-P, *Periodic Filing for Organizational Clearance Certificate—Welfare or Veterans' Organization Exemption*, will request information required to ensure that the organization continues to meet the qualifications for exemption. The claim form verification process will be conducted to ensure that the organizations holding organizational clearance certificates continue to be qualified. Board staff may conduct an audit as part of the claim review process.

#### Review of Assessors' Administration of the Welfare Exemption

Board staff will continue to review the assessors' administration of the exemption as part of the assessment practices surveys, to ensure proper administration of the welfare and veterans' organization exemptions at the local level.

---

<sup>4</sup> Rules of Practice of the State Board of Equalization to be amended to reflect the legislative amendments enacted in Senate Bill 1062.



## **REVISED ASSESSOR DUTIES**

Revised assessor duties, briefly summarized, include making the sole determination concerning whether the *use of the property* qualifies for the welfare exemption, reviewing all claims for the welfare and veterans' organization exemptions, notifying claimants of ineligible property, and conducting audits or verifications of an organization's operations.

### **Review of Welfare and Veterans' Organization Exemption Claims**

Claimants will continue to file claims for the welfare or veterans' organization exemption with the county assessor; however, rather than claimants filing in duplicate, the claimant will only file one copy for the assessor to review.<sup>5</sup> The assessor will review claims for the welfare or veterans' organization exemption to determine whether the *use of the property* qualifies for exemption (i.e., is the property owned and operated by a qualified organization used for exempt purposes on the lien date).

The assessor's determination of whether an organization's property use satisfies the requirements of section 214 will be made by the county assessor without review by the Board staff; but, *the assessor may not grant a claim unless the organization holds a valid Organizational Clearance Certificate issued by the Board*. The assessor may deny an exemption claim, based on non-qualifying use of the property, notwithstanding the claimant's organizational clearance certificate granted by the Board.

### **Notification of Ineligibility**

If the assessor finds the claimant's property ineligible for the welfare or veterans' organization exemption, the assessor must notify the claimant in writing of that finding. (See recommended Board form BOE-267-F to be used for this purpose in Attachment B.) The assessor must also provide notification that the claimant may seek a refund of property taxes paid by filing a claim for refund with the county board of supervisors. If the refund claim is denied, the organization may file a refund action in superior court.

The assessor's authority remains unchanged regarding property incorrectly granted exemption. The assessor must redetermine the eligibility for the exemption. If the assessor determines a property is no longer eligible for exemption, the assessor should cancel the exemption and issue an escape assessment.

### **Audit and/or Verification of Operation**

Section 254.5, as amended, clarifies that the assessor may audit a claimant to ensure that the use of the property by the owner or operator continues to meet the requirements set forth in section 214. For example, the assessor may audit the claimant's financial statements and other documentation representative of activities and operations conducted at a specific property location to verify the use of the property.

---

<sup>5</sup> Claims are filed on the following forms: BOE-267 (*Claim for Welfare Exemption (First Filing)*), BOE-267-A (*Claim for Welfare Exemption (Annual Filing)*), BOE-269-AH (*Claim for Veterans' Organization Exemption*).

**CONCLUSION**

The change in joint administration of the welfare and veterans' organization exemptions to eliminate duplicate functions will be effective for claims filed on or after January 1, 2004. As previously indicated, under the new administration, the Board will determine whether an organization is eligible for the welfare or veterans' organization exemption, and the county assessor will determine if the use of the property is eligible for exemption.

The legislative amendments enacted in Senate Bill 1062 will require revision of the Board's Rules of Practice relating to the Board's welfare exemption claim review and appeal process (Rules 5060-5064). Staff anticipates starting the rule revision process in early 2004. Board staff also intends to work with assessors and interested parties to study and explore possible additional streamlining measures. The Board will disseminate information as to proposed rule revisions and possible additional streamlining measures at a later date.

If you have any questions concerning the changes in administration of the Welfare and Veterans' Organization Exemptions, please contact the Exemptions Section at (916) 445-3524.

Sincerely,

/s/ David J. Gau

David J. Gau  
Deputy Director  
Property and Special Taxes Department

DJG:lf  
Enclosures

## WELFARE AND VETERANS' ORGANIZATION EXEMPTIONS STATUTORY CHANGES

*Section 213.7 of the Revenue and Taxation Code is amended to read:*

**213.7. Volunteer fire department property.** (a) As used in Section 214, "property used exclusively for religious, hospital, scientific or charitable purposes" shall include the property of a volunteer fire department ~~which~~ that is used exclusively for volunteer fire department purposes, provided that the department qualifies for exemption either under Section 23701d or 23701f of this code or under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code. This section shall not be construed to enlarge the "welfare exemption" to apply to organizations qualified under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code, but not otherwise qualified for the "welfare exemption" under other provisions of this code.

As used in this section, "volunteer fire department" means any fund, foundation or corporation regularly organized for volunteer fire department purposes, ~~which~~ that qualified as an exempt organization on or before January 1, 1969, either under Section 23701d or 23701f of this code or under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code, having official recognition and full or partial support of the government of the county, city, or district in which ~~such~~ the volunteer fire department is located, and ~~which~~ that has functions having an exclusive connection with the prevention and extinguishing of fires within the area of the county, city, or district extending official recognition for the benefit of the public generally and to lessen the burdens of the entity of government which would otherwise be obligated to furnish such fire protection.

(b) For purposes of subdivision (a), an organization shall not be deemed to be qualified as an exempt organization unless the organization files with the assessor a valid organizational clearance certificate issued pursuant to Section 254.6. ~~duplicate copies of a valid, unrevoked letter or ruling from either the Franchise Tax Board or, in the alternative, the Internal Revenue Service, which states that the organization qualifies as an exempt organization under the appropriate provisions of the Bank and Corporation Tax Law or the Internal Revenue Code.~~

*Section 214 of the Revenue and Taxation Code is amended to read:*

**214. Welfare exemption.** (a) Property used exclusively for religious, hospital, scientific, or charitable purposes owned and operated by community chests, funds, foundations or corporations organized and operated for religious, hospital, scientific, or charitable purposes is exempt from taxation, including ad valorem taxes to pay the interest and redemption charges on any indebtedness approved by the voters prior to July 1, 1978, or any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition, if:

(1) The owner is not organized or operated for profit. However, in the case of hospitals, the organization shall not be deemed to be organized or operated for profit if, during the immediately preceding fiscal year, operating revenues, exclusive of gifts, endowments and grants-in-aid, did not exceed operating expenses by an amount equivalent to 10 percent of those operating expenses. As used herein, operating expenses include depreciation based on cost of replacement and amortization of, and interest on, indebtedness.

(2) No part of the net earnings of the owner inures to the benefit of any private shareholder or individual.

(3) The property is used for the actual operation of the exempt activity, and does not exceed an amount of property reasonably necessary to the accomplishment of the exempt purpose.

(A) For the purposes of determining whether the property is used for the actual operation of the exempt activity, consideration shall not be given to use of the property for either or both of the following described activities if that use is occasional:

(i) The owner conducts fundraising activities on the property and the proceeds derived from those activities are not unrelated business taxable income, as defined in Section 512 of the Internal Revenue Code, of the owner and are used to further the exempt activity of the owner.

(ii) The owner permits any other organization that meets all of the requirements of this subdivision, other than ownership of the property, to conduct fundraising activities on the property and the proceeds derived from those activities are not unrelated business taxable income, as defined in Section 512 of the

## WELFARE AND VETERANS' ORGANIZATION EXEMPTIONS STATUTORY CHANGES

Internal Revenue Code, of the organization, are not subject to the tax on unrelated business taxable income that is imposed by Section 511 of the Internal Revenue Code, and are used to further the exempt activity of the organization.

(B) For purposes of subparagraph (A):

(i) "Occasional use" means use of the property on an irregular or intermittent basis by the qualifying owner or any other qualifying organization described in clause (ii) of subparagraph (A) that is incidental to the primary activities of the owner or the other organization.

(ii) "Fundraising activities" means both activities involving the direct solicitation of money or other property and the anticipated exchange of goods or services for money between the soliciting organization and the organization or person solicited.

(C) Subparagraph (A) shall have no application in determining whether paragraph (3) has been satisfied unless the owner of the property and any other organization using the property as provided in subparagraph (A) have filed with the assessor a valid organizational clearance certificate issued pursuant to section 254.6. ~~duplicate copies of valid unrevoked letters or rulings from the Internal Revenue Service that state that the owner and the other organization qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code. The owner of the property and any other organization using the property as provided in subparagraph (A) also shall file duplicate copies of their most recently filed federal income tax returns.~~

(D) For the purposes of determining whether the property is used for the actual operation of the exempt activity, consideration shall not be given to the use of the property for meetings conducted by any other organization if the meetings are incidental to the other organization's primary activities, are not fundraising meetings or activities as defined in subparagraph (B), are held no more than once per week, and the other organization and its use of the property meet all other requirements of paragraphs (1) to (5), inclusive, ~~of subdivision (a).~~ The owner of the other organization also shall file with the assessor a valid organizational clearance certificate issued pursuant to section 254.6. ~~duplicate copies of valid, unrevoked letters or rulings from the Internal Revenue Service or the Franchise Tax Board stating that the other organization, or the national organization of which it is a local chapter or affiliate, qualifies as an exempt organization under Section 501(c)(3) or Section 501(c)(4) of the Internal Revenue Code or Section 23701d, 23701f, or 23701w, together with duplicate copies of that organization's most recently filed federal income tax return, if the organization is required by federal law to file a return.~~

(E) Nothing in subparagraph (A), (B), (C), or (D) shall be construed to either enlarge or restrict the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section.

(4) The property is not used or operated by the owner or by any other person so as to benefit any officer, trustee, director, shareholder, member, employee, contributor, or bondholder of the owner or operator, or any other person, through the distribution of profits, payment of excessive charges or compensations, or the more advantageous pursuit of their business or profession.

(5) The property is not used by the owner or members thereof for fraternal or lodge purposes, or for social club purposes except where that use is clearly incidental to a primary religious, hospital, scientific, or charitable purpose.

(6) The property is irrevocably dedicated to religious, charitable, scientific, or hospital purposes and upon the liquidation, dissolution or abandonment of the owner will not inure to the benefit of any private person except a fund, foundation, or corporation organized and operated for religious, hospital, scientific, or charitable purposes.

(7) The property, if used exclusively for scientific purposes, is used by a foundation or institution that, in addition to complying with the foregoing requirements for the exemption of charitable organizations in general, has been chartered by the Congress of the United States (except that this requirement shall not apply when the scientific purposes are medical research), and whose objects are the encouragement or conduct of scientific investigation, research, and discovery for the benefit of the community at large.

The exemption provided for herein shall be known as the "welfare exemption." This exemption shall be in addition to any other exemption now provided by law, and the existence of the exemption provision in paragraph (2) of subdivision (a) of Section 202 shall not preclude the exemption under this section for museum

## WELFARE AND VETERANS' ORGANIZATION EXEMPTIONS STATUTORY CHANGES

or library property. Except as provided in subdivision (e), this section shall not be construed to enlarge the college exemption.

(b) Property used exclusively for school purposes of less than collegiate grade and owned and operated by religious, hospital, or charitable funds, foundations, or corporations, which property and funds, foundations, or corporations meet all of the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section.

(c) Property used exclusively for nursery school purposes and owned and operated by religious, hospital, or charitable funds, foundations, or corporations, which property and funds, foundations, or corporations meet all the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section.

(d) Property used exclusively for a noncommercial educational FM broadcast station or an educational television station, and owned and operated by religious, hospital, scientific, or charitable funds, foundations, or corporations meeting all of the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section.

(e) Property used exclusively for religious, charitable, scientific, or hospital purposes and owned and operated by religious, hospital, scientific, or charitable funds, foundations, or corporations or educational institutions of collegiate grade, as defined in Section 203, which property and funds, foundations, corporations, or educational institutions meet all of the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section. As to educational institutions of collegiate grade, as defined in Section 203, the requirements of paragraph (6) of subdivision (a) shall be deemed to be met if both of the following are met:

(1) The property of the educational institution is irrevocably dedicated in its articles of incorporation to charitable and educational purposes, to religious and educational purposes, or to educational purposes.

(2) The articles of incorporation of the educational institution provide for distribution of its property upon its liquidation, dissolution, or abandonment to a fund, foundation, or corporation organized and operated for religious, hospital, scientific, charitable, or educational purposes meeting the requirements for exemption provided by Section 203 or this section.

(f) Property used exclusively for housing and related facilities for elderly or handicapped families and financed by, including, but not limited to, the federal government pursuant to Section 202 of Public Law 86-372 (12 U.S.C. Sec. 1701q), as amended, Section 231 of Public Law 73-479 (12 U.S.C. Sec. 1715v), Section 236 of Public Law 90-448 (12 U.S.C. Sec. 1715z), or Section 811 of Public Law 101-625 (42 U.S.C. Sec. 8013), and owned and operated by religious, hospital, scientific, or charitable funds, foundations, or corporations meeting all of the requirements of this section shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section.

The amendment of this paragraph made by Chapter 1102 of the Statutes of 1984 does not constitute a change in, but is declaratory of, the existing law. However, no refund of property taxes shall be required as a result of this amendment for any fiscal year prior to the fiscal year in which the amendment takes effect.

Property used exclusively for housing and related facilities for elderly or handicapped families at which supplemental care or services designed to meet the special needs of elderly or handicapped residents are not provided, or that is not financed by the federal government pursuant to Section 202 of Public Law 86-372 (12 U.S.C. Sec. 1701q), as amended, Section 231 of Public Law 73-479 (12 U.S.C. Sec. 1715v), Section 236 of Public Law 90-448 (12 U.S.C. Sec. 1715z), or Section 811 of Public Law 101-625 (42 U.S.C. Sec. 8013), shall not be entitled to exemption pursuant to this subdivision unless the property is used for housing and related facilities for low- and moderate-income elderly or handicapped families. Property that would otherwise be exempt pursuant to this subdivision, except that it includes some housing and related facilities for other than low- or moderate-income elderly or handicapped families, shall be entitled to a partial exemption. The partial exemption shall be equal to that percentage of the value of the property that is equal to the percentage that the

## WELFARE AND VETERANS' ORGANIZATION EXEMPTIONS STATUTORY CHANGES

number of low- and moderate-income elderly and handicapped families occupying the property represents of the total number of families occupying the property.

As used in this subdivision, "low and moderate income" has the same meaning as the term "persons and families of low or moderate income" as defined by Section 50093 of the Health and Safety Code.

(g) (1) Property used exclusively for rental housing and related facilities and owned and operated by religious, hospital, scientific, or charitable funds, foundations, or corporations, including limited partnerships in which the managing general partner is an eligible nonprofit corporation, meeting all of the requirements of this section, or by veterans' organizations, as described in Section 215.1, meeting all the requirements of paragraphs (1) to (7), inclusive, of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section and shall be entitled to a partial exemption equal to that percentage of the value of the property that the portion of the property serving lower income households represents of the total property in any year in which either of the following criteria applies:

(A) The acquisition, rehabilitation, development, or operation of the property, or any combination of these factors, is financed with tax-exempt mortgage revenue bonds or general obligation bonds, or is financed by local, state, or federal loans or grants and the rents of the occupants who are lower income households do not exceed those prescribed by deed restrictions or regulatory agreements pursuant to the terms of the financing or financial assistance.

(B) The owner of the property is eligible for and receives low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code of 1986, as added by Public Law 99-514.

(C) In the case of a claim, other than a claim with respect to property owned by a limited partnership in which the managing general partner is an eligible nonprofit corporation, that is filed for the 2000-01 fiscal year or any fiscal year thereafter, 90 percent or more of the occupants of the property are lower income households whose rent does not exceed the rent prescribed by Section 50053 of the Health and Safety Code. The total exemption amount allowed under this subdivision to a taxpayer, with respect to a single property or multiple properties for any fiscal year on the sole basis of the application of this subparagraph, may not exceed twenty thousand dollars (\$20,000) of tax.

(2) In order to be eligible for the exemption provided by this subdivision, the owner of the property shall do both of the following:

(A) (i) For any claim filed for the 2000-01 fiscal year or any fiscal year thereafter, certify and ensure, subject to the limitation in clause (ii), that there is an enforceable and verifiable agreement with a public agency, a recorded deed restriction, or other legal document that restricts the project's usage and that provides that the units designated for use by lower income households are continuously available to or occupied by lower income households at rents that do not exceed those prescribed by Section 50053 of the Health and Safety Code, or, to the extent that the terms of federal, state, or local financing or financial assistance conflicts with Section 50053, rents that do not exceed those prescribed by the terms of the financing or financial assistance.

(ii) In the case of a limited partnership in which the managing general partner is an eligible nonprofit corporation, the restriction and provision specified in clause (i) shall be contained in an enforceable and verifiable agreement with a public agency, or in a recorded deed restriction to which the limited partnership certifies.

(B) Certify that the funds that would have been necessary to pay property taxes are used to maintain the affordability of, or reduce rents otherwise necessary for, the units occupied by lower income households.

(3) As used in this subdivision, "lower income households" has the same meaning as the term "lower income households" as defined by Section 50079.5 of the Health and Safety Code.

(h) Property used exclusively for an emergency or temporary shelter and related facilities for homeless persons and families and owned and operated by religious, hospital, scientific, or charitable funds, foundations, or corporations meeting all of the requirements of this section shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section. Property that otherwise would be exempt pursuant to this subdivision, except

## WELFARE AND VETERANS' ORGANIZATION EXEMPTIONS STATUTORY CHANGES

that it includes housing and related facilities for other than an emergency or temporary shelter, shall be entitled to a partial exemption.

As used in this subdivision, "emergency or temporary shelter" means a facility that would be eligible for funding pursuant to Chapter 11 (commencing with Section 50800) of Part 2 of Division 31 of the Health and Safety Code.

(i) Property used exclusively for housing and related facilities for employees of religious, charitable, scientific, or hospital organizations that meet all the requirements of subdivision (a) and owned and operated by funds, foundations, or corporations that meet all the requirements of subdivision (a) shall be deemed to be within the exemption provided for in subdivision (b) of Sections 4 and 5 of Article XIII of the California Constitution and this section to the extent the residential use of the property is institutionally necessary for the operation of the organization.

(j) For purposes of this section, charitable purposes include educational purposes. For purposes of this subdivision, "educational purposes" means those educational purposes and activities for the benefit of the community as a whole or an unascertainable and indefinite portion thereof, and shall not include those educational purposes and activities that are primarily for the benefit of an organization's shareholders. Educational activities include the study of relevant information, the dissemination of that information to interested members of the general public, and the participation of interested members of the general public.

### *Section 214.01 of the Revenue and Taxation Code is amended to read:*

**214.01. Welfare exemption: Irrevocable dedication.** (a) For the purpose of Section 214, property shall be deemed irrevocably dedicated to religious, charitable, scientific, or hospital purposes only if a statement of irrevocable dedication to only these purposes is found in the articles of incorporation of the corporation, or in the case of any other fund or foundation, or corporation chartered by an act of Congress, in the bylaws, articles of association, constitution, or regulations thereof, as determined by the State Board of Equalization.

(b) If, when performing the duties specified by Section ~~254.5~~254.6, the board finds that an applicant for the welfare exemption is ineligible ~~therefor~~ for an organizational clearance certificate, because at the time of the filing of the ~~affidavit claim~~ required by Section ~~254.5~~254.6, the applicant's articles of incorporation, or in the case of any noncorporate fund or foundation, its bylaws, articles of association, constitution or regulations, did not comply with the provisions of this section, the board shall notify the applicant in writing. The applicant shall have until the next succeeding lien date to amend its articles of incorporation, or in the case of any noncorporate fund or foundation, its bylaws, articles of association, constitution or regulations, and to file a certified copy of ~~such~~these amendments that conform to the provisions of this section with the board, and the board shall make a finding that the applicant, if otherwise qualified, is eligible for ~~the welfare exemption~~ an organizational clearance certificate and forward such finding to the assessor.

### *Section 214.8 of the Revenue and Taxation Code is amended to read:*

**214.8. Welfare exemption: Limitation.** (a) Except as provided in Sections 213.7 and 231, and as provided in subdivision (g) of Section 214 with respect to veterans' organizations, the "welfare exemption" shall not be granted to any organization unless it is qualified as an exempt organization under either Section 23701d of this code or Section 501(c)(3) of the Internal Revenue Code. This section shall not be construed to enlarge the "welfare exemption" to apply to organizations qualified under Section 501(c)(3) of the Internal Revenue Code of 1954 but not otherwise qualified for the "welfare exemption" under other provisions of this code.

The exemption for veterans' organizations shall not be granted to any organization unless it is qualified as an exempt organization under either Section 23701f or 23701w of this code or under Section 501(c)(4) or 501(c)(19) of the Internal Revenue Code. This section shall not be construed to enlarge the "veterans' organization exemption" to apply to organizations qualified under Section 501(c)(4) or 501(c)(19) of the Internal Revenue Code but not otherwise qualified for the "veterans' organization exemption" under other provisions of this code.

## WELFARE AND VETERANS' ORGANIZATION EXEMPTIONS STATUTORY CHANGES

(b) For purposes of subdivision (a), an organization shall not be deemed to be qualified as an exempt organization unless the organization files with the assessor a valid organizational clearance certificate issued pursuant to Section 254.6. ~~duplicate copies of a valid, unrevoked letter or ruling from either the Franchise Tax Board or, in the alternative, the Internal Revenue Service, which states that the organization qualifies as an exempt organization under the appropriate provisions of the Bank and Corporation Tax Law or the Internal Revenue Code.~~

*Section 231 of the Revenue and Taxation Code is amended to read:*

**231. Property leased to government.** (a) Property ~~which~~ that is owned by a nonprofit corporation and leased to, and used exclusively by, government for its interest and benefit shall be exempt from taxation within the meaning of "charitable purposes" in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution if:

(1) All of the provisions of Section 214 are complied with, except paragraph (6) of subdivision (a). For purposes of paragraph (6) of subdivision (a) of Section 214, irrevocable dedication to charitable purpose shall be deemed to exist if the lease provides that the property shall be transferred in fee to the entity of government leasing the same upon the sooner of either the liquidation, dissolution, or abandonment of the owner or at the time the last rental payment is made under the provisions of the lease.

(2) All of the provisions of Section 254.5 relating to owners are complied with, commencing during calendar year 1969.

(3) All of the provisions of Section 214.01 are complied with by March 15, 1970.

(b) As used in this section "property" means:

(1) Any building or structure of a kind or nature which is uniquely of a governmental character and includes, but is not limited to, the following:

(A) City halls.

(B) Courthouses.

(C) Administration buildings.

(D) Police stations, jails, or detention facilities.

(E) Fire stations.

(F) Parks, playgrounds, or golf courses.

(G) Hospitals.

(H) Water systems and waste water facilities.

(I) Toll bridges.

(2) Any other property required for the use and occupation of the buildings and leased to government.

(3) Any possessory interest of the nonprofit corporation in property and in the land upon which the property was constructed and so much of the surrounding land that is required for the use and occupation of the property.

(4) Any building and its equipment in the course of construction on or after the first Monday of March, 1954, together with the land on which it is located as may be required for the use and occupation of the building when such building and equipment is being constructed for the sole purpose of being leased to government to lessen its burden.

"Uniquely of a governmental character" means the property, except hospitals, water systems, waste water facilities, golf courses, and toll bridges, is not intended to produce income or revenue in the form of rents or admission, user or service fees, or charges.

(c) As used in this section "property" does not include any possessory interest of any person or organization not exempt from taxation.

(d) As used in this section "nonprofit corporation" means a community chest, fund, foundation or corporation, not conducted for profit, and no part of the net earnings of which inures to the benefit of any private shareholder or individual and that nonprofit corporation is organized and operated for the sole purpose of leasing property to government and to lessen the burden of government and, in fact, only leases property to government. That nonprofit corporation shall qualify as an exempt organization either under Section 23701f or



## WELFARE AND VETERANS' ORGANIZATION EXEMPTIONS STATUTORY CHANGES

23701u of this code or Section 501(c)(4) of the Internal Revenue Code of 1986. This subdivision is not intended to enlarge the "welfare exemption" to apply to organizations qualified under Section 501(c)(4) of the Internal Revenue Code of 1986 but not otherwise qualified for the "welfare exemption" under this section. Nonprofit corporations that meeting the tests of this subdivision are deemed to be organized and operated for charitable purposes.

(e) As used in this section "government" means the State of California, a city, city and county, county, public corporation, and a hospital district.

(f) The exemption provided for in this section shall be deemed to be within the "welfare exemption" for purposes of Section 251.

(g) For leases first entered into by and between government and nonprofit corporation on or after January 1, 1969, all requirements of this section shall be met for the property and the nonprofit corporation to qualify for the exemption provided by this section.

(h) For leases first entered into by and between government and nonprofit corporation on or before December 31, 1968, all requirements of this section shall be met except that the last unnumbered paragraph of subdivision (b) shall not apply and for the purposes of subdivision (b)(1) the list of real property qualifying for this exemption includes community recreation buildings or facilities, golf courses, airports, water, sewer and drainage facilities, music centers and their related facilities, and public parking incidental to and in connection with one of the buildings or structures set forth in this section.

(i) Property exempt under this section shall be located within the boundaries of the entity of government leasing the same.

(j) Where the construction has commenced on or after January 1, 1969, improvements shall be advertised and put to competitive bid to qualify for the exemption provided by this section.

(k) For purposes of subdivision (d), a nonprofit corporation shall not be deemed to be qualified as an exempt organization unless the organization files with the assessor a valid organizational clearance certificate issued pursuant to Section 254.6. ~~duplicate copies of a valid, unrevoked letter or ruling from either the Franchise Tax Board or, in the alternative, the Internal Revenue Service, which states that the organization qualifies as an exempt organization under the appropriate provisions of the Bank and Corporation Tax Law or the Internal Revenue Code.~~

### *Section 254.5 of the Revenue and Taxation Code is amended to read:*

**254.5. Welfare exemption, Assessor duties.** (a) ~~Affidavits~~ Claims for the welfare exemption and the veterans' organization exemption shall be filed ~~in duplicate~~ on or before February 15 of each year with the assessor. The assessor may not approve a property tax exemption claim until the claimant has been issued a valid organizational clearance certificate pursuant to Section 254.6. ~~Affidavits of organizations filing for the first time shall be accompanied by duplicate certified copies of the financial statements of the owner and operator. Thereafter, financial statements shall be submitted only if requested in writing by either the assessor or the board. Copies of the affidavits and financial statements shall be forwarded not later than April 1 by t~~

~~(b)(1)The assessor with his or her recommendations for approval or denial to the board which shall review all claims for the welfare exemption to ascertain whether the property on which the exemption is claimed meets the requirements of section 214. In this connection, the assessor shall consider, among other matters, whether: the affidavits and statements and may institute an independent audit or verification of the operations of the owner and operator to ascertain whether both the owner and operator meet the requirements of Section 214 of the Revenue and Taxation Code. In this connection the board shall consider, among other matters, whether:~~

~~(1) The services and expenses of the owner or operator (including salaries) are excessive, based upon like services and salaries in comparable public institutions.~~

~~(2) The operations of the owner or operator, either directly or indirectly, materially enhance the private gain of any individual or individuals.~~

~~(3) (A) Any capital investment of the owner or operator for expansion of a physical plant is justified by the contemplated return thereon, and required to serve the interests of the community.~~

WELFARE AND VETERANS' ORGANIZATION EXEMPTIONS  
STATUTORY CHANGES

~~(4)(B)~~ The property on which the exemption is claimed is used for the actual operation of an exempt activity and does not exceed an amount of property reasonably necessary to the accomplishment of the exempt purpose.

(2) The assessor may institute an audit or verification of the operations of the owner or operator of the applicant's property to ascertain whether both the owner and operator meet the requirements of Section 214.

~~(b) The board shall make a finding as to the eligibility of each applicant and the applicant's property and shall forward its finding to the assessor concerned. If the board conducts a hearing with respect to the eligibility of the applicant and the applicant's property, the finding shall be forwarded to the assessor concerned within 30 days after the decision is made by the board following the hearing. The assessor may deny the claim of an applicant that the board finds eligible but may not grant the claim of an applicant the board finds ineligible.~~

(c)(1) The assessor may deny a claim for the welfare exemption on a property, notwithstanding that the claimant has been granted an organizational clearance certificate by the board.

(2) If the assessor finds that the claimant's property is ineligible for the welfare exemption, the assessor shall notify the claimant in writing of all of the following:

(A) That the property is ineligible for the welfare exemption.

(B) That the claimant may seek a refund of property taxes paid by filing a refund claim with the county.

(C) That if the claimant's refund claim with the county is denied, the claimant may file a refund action in superior court.

(d) ~~(e)~~ Notwithstanding subdivision (a), an applicant, granted a welfare exemption and owning any property exempted pursuant to Section 214.15 or Section 231, shall not be required to reapply for the welfare exemption in any subsequent year in which there has been no transfer of, or other change in title to, the exempted property and the property is used exclusively by a governmental entity or by a nonprofit corporation described in Section 214.15 for its interest and benefit.

The applicant shall notify the assessor on or before February 15 if, on or before the preceding lien date, the applicant became ineligible for the welfare exemption or if, on or before that lien date, the property was no longer owned by the applicant or otherwise failed to meet all requirements for the welfare exemption.

Prior to the lien date, the assessor shall annually mail a notice to every applicant relieved of the requirement of filing an annual application by this subdivision.

The notice shall be in a form and contain that information that the board may prescribe, and shall set forth the circumstances under which the property may no longer be eligible for exemption, and advise the applicant of the duty to inform the assessor if the property is no longer eligible for exemption.

The notice shall include a card that is to be returned to the assessor by any applicant desiring to maintain eligibility for the welfare exemption under Section 214.15 or Section 231. The card shall be in the following form:

To all persons who have received a welfare exemption under Section 214.15 or Section 231 of the Revenue and Taxation Code for the \_\_\_\_\_ fiscal year.

Question: Will the property to which the exemption applies in the \_\_\_\_\_ fiscal year continue to be used exclusively by government or by an organization as described in Section 214.15 for its interest and benefit in the fiscal year?

YES \_\_\_\_\_ NO \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Failure to return this card does not of itself constitute a waiver of exemption as called for by the California Constitution, but may result in onsite inspection to verify exempt activity.

## WELFARE AND VETERANS' ORGANIZATION EXEMPTIONS STATUTORY CHANGES

(e)-~~(d)~~ Upon any indication that a welfare exemption on the property has been incorrectly granted, the assessor shall redetermine eligibility for the exemption. If the assessor determines that the property, or any portion thereof, is no longer eligible for the exemption, he or she shall immediately cancel the exemption on so much of the property as is no longer eligible for the exemption.

(f)-~~(e)~~ If a welfare exemption on the property has been incorrectly allowed, an escape assessment as provided by Article 4 (commencing with Section 531) of Chapter 3 in the amount of the exemption, with interest as provided in Section 506, shall be made, and a penalty shall be assessed for any failure to notify the assessor as required by this section in an amount equaling 10 percent of the escape assessment, but may not exceed two hundred fifty dollars (\$250).

(g) Pursuant to Section 15640 of the Government Code, the board shall review the assessor's administration of the welfare exemption as part of the board's survey of the county assessment roll to ensure proper administration of the exemption.

*Section 254.6 is added to the Revenue and Taxation Code, to read:*

**254.6. Welfare exemption, Board duties.** (a) An organization that intends to claim the welfare exemption shall file with the State Board of Equalization a claim for an organizational clearance certificate.

(b) The board staff shall review each claim for an organizational clearance certificate to ascertain whether the organization meets the requirements of Section 214 and shall issue a certificate to a claimant that meets these requirements. In this connection, the board staff shall consider, among other matters, whether:

(1) The services and expenses of the owner or operator (including salaries) are excessive, based upon like services and salaries in comparable public or private institutions.

(2) The operations of the owner or operator, either directly or indirectly, materially enhance the private gain of any individual or individuals.

(c) Any claim of any organization that files for an organizational clearance certificate for the first time shall be accompanied by the claimant's corporate identification number, mailing address, and all of the following documents:

(1) A certified copy of the financial statements of the organization.

(2) A certified copy of the articles of incorporation and any amendments thereto, or in the case of any noncorporate fund or foundation, its bylaws, articles of association, constitution, or regulations and any amendments thereto.

(3) A copy of a valid, unrevoked letter or ruling from either the Franchise Tax Board or, in the alternative, the Internal Revenue Service, that states that the organization qualifies as an exempt organization under the appropriate provisions of the Bank and Corporation Tax Law or the Internal Revenue Code.

(d) (1) If the board staff determines that a claimant is not eligible for an organizational clearance certificate, the board shall notify the claimant of the ineligibility.

(2) The claimant may file an appeal of the board staff's finding of ineligibility with the board within 60 days of the date of mailing of the notice of ineligibility. The appeal of the board staff's finding shall be in writing and shall state the specific grounds upon which the appeal is founded.

(3) The board shall conduct a hearing on the appeal in accordance with any rules of notice, procedure, and briefing as the board shall prescribe. The parties to the hearing or proceeding shall be the board staff and the claimant appealing the finding of ineligibility. The board staff and the claimant may agree in writing to submit the matter to the board for a decision without a hearing. The board shall provide written findings and conclusions or a written decision to support its decision.

(e) (1) Once granted, an organizational clearance certificate shall remain valid until the board staff determines that the organization no longer meets the requirements of Section 214.

(2) If the board staff determines that the organization no longer meets the requirements of Section 214, the board staff shall revoke the certificate and notify the claimant and each county assessor of the revocation.

(3) The organization may file an appeal of the board staff's revocation with the board within 60 days of the date of mailing of the notice revocation. The appeal of the revocation shall be in writing and shall state the specific grounds upon which the appeal is founded.

## WELFARE AND VETERANS' ORGANIZATION EXEMPTIONS STATUTORY CHANGES

(4) The board shall conduct a hearing on the appeal in accordance with any rules of notice, procedure, and briefing as the board shall prescribe. The parties to the hearing or proceeding shall be the board staff and the claimant appealing the finding of ineligibility. The board staff and the claimant may agree in writing to submit the matter to the board for decision without hearing. The board shall provide written findings and conclusions or a written decision to support its decision.

(f) Pursuant to Section 15618 of the Government Code, the board may institute an audit or verification of an organization to ascertain whether the organization meets the requirements of Section 214.

*Section 259.5 of the Revenue and Taxation Code is amended to read:*

**259.5. Welfare exemption affidavit.** The affidavit claim for the welfare exemption shall show that both the property use and the owner meet all the requirements entitling the property to the exemption are met, and that the claimant has a valid organizational clearance certificate issued pursuant to Section 254.6.

*Section 259.7 of the Revenue and Taxation Code is amended to read:*

**259.7. Veterans' organization exemption affidavit.** The affidavit claim for the veterans' organization exemption shall show that both the property use and the owner meet all the requirements entitling the property to the exemption are met, and that the claimant has a valid organizational clearance certificate issued pursuant to Section 254.6.

*Section 272 of the Revenue and Taxation Code is amended to read:*

**272. Action by assessor.** Notwithstanding any other provision of law, whenever a valid application for exemption on the property is filed pursuant to Section 270 or 271 and the assessor ~~receives the board finding pursuant to Section 254.5~~ grants the claim prior to the completion of the roll for the year for which the exemption is claimed, the assessor shall enroll the property so as to provide for the amount of exemption on the property's assessed value as provided by the applicable section.

When the application for exemption on the property or the granting of the claim occurs ~~or the finding of the board for that application is received~~ after completion of the roll, the assessor shall initiate an action to correct the roll by addition of the appropriate amount of exemption on the property. Upon notification by the assessor, the auditor shall make the appropriate adjustment on the roll.

Where authorized under the provisions of this article, the tax, penalty or interest thereon subject to cancellation or refund shall be canceled pursuant to Article 1 (commencing with Section 4985) of Chapter 4 of Part 9, as if it had been levied or charged erroneously, and, if paid, a refund thereof shall be made pursuant to Article 1 (commencing with Section 5096) of Chapter 5 of Part 9, ~~as if it had been erroneously collected~~. The amount of tax, penalty or interest which is not canceled or refunded under this article with respect to property tax exemptions covered by this article and filed late may be paid in installments as provided in Chapter 3 (commencing with Section 4186) of Part 7.

WELFARE AND VETERANS' ORGANIZATION EXEMPTIONS  
FORM LIST

Form No.	Title	Description/Purpose
<i>CLAIM FORMS FILED WITH THE BOARD OF EQUALIZATION:</i>		
BOE-277	<i>Claim for Organizational Clearance Certificate—Welfare Exemption</i>	Claim form filed with the Board by organization to request an organizational clearance certificate when claimant is first time filer.
BOE-279	<i>Claim for Organizational Clearance Certificate—Veterans' Organization Exemption</i>	Claim form filed with the Board by veterans' organization to request an organizational clearance certificate when a first time filer.
BOE-277-P	<i>Periodic Filing for Organizational Clearance Certificate Welfare or Veterans' Organization Exemption</i>	Claim form filed with the Board by organizations to provide updated information on a periodic basis. (Only organizations that have previously met the organizational requirements of section 214 must file such forms. Filing will be on a 3-year cycle.)
<i>NOTIFICATION ISSUED TO CLAIMANTS BY THE BOARD AS TO AN ORGANIZATION'S ELIGIBILITY:</i>		
BOE-277-F	<i>Welfare or Veterans' Organization Exemption Organizational Clearance Certificate Finding Sheet</i>	Board form to notify organization of findings after review of organizational information.
BOE-277-F1	<i>Welfare or Veterans' Organization Exemption Organizational Clearance Certificate—Preliminary Notice</i>	Board form to notify organization as to specific findings of ineligibility and what action the organization may do in response to those findings.
BOE-277-F2	<i>Welfare or Veterans' Organization Exemption Organizational Clearance Certificate—Final Notice</i>	Board form to notify organization after review of additional information received by organization in response to Preliminary Notice (BOE-277-F1), also provides information in regard to appeal rights.
BOE-277-OC	<i>Organizational Clearance Certificate for Welfare or Veterans' Organization Exemption</i>	Certificate issued to organizations by Board if organizational requirements of section 214 are met.

Note: All forms listed above are new forms to be used for claims filed on or after January 1, 2004. Organizations currently qualifying for exemption do not need to file BOE-277 or BOE-279; those organizations will be issued an Organizational Clearance Certificate prior to January 1, 2004.

WELFARE AND VETERANS' ORGANIZATION EXEMPTIONS  
FORM LIST

Form No.	Title	Description/Purpose
<i>CLAIM FORMS FILED WITH THE ASSESSOR:</i>		
BOE-267	<i>Claim for Welfare Exemption (First Filing)</i>	Claim form filed with Assessor by claimant for its initial request of Welfare exemption for a specific property when the claimant is a new filer in the county or requesting exemption for a new location in the county.
BOE-267-A	<i>Claim for Welfare Exemption (Annual Filing)</i>	Claim form filed with Assessor by claimant on an annual basis after initial "been met" finding. May be filed on properties that were granted exemption in the prior year.
BOE-269-AH	<i>Claim for Veterans' Organization Exemption</i>	Claim form filed with Assessor by claimant for initial request of Veterans' Organization exemption for a specific property when the claimant is a new filer or requesting exemption for a new location in the county.
<i>NOTIFICATION ISSUED TO CLAIMANTS BY THE ASSESSOR:</i>		
BOE-267-F	<i>Welfare or Veterans' Organization Exemption Assessor's Finding on Qualification of Property Use</i>	Assessors' Form to notify claimant of findings after review of property use only if the property or portion of the property is ineligible for exemption.

Note: All claim forms filed with the assessor, and listed above, have been revised forms to be used only for claims filed on or after January 1, 2004. Form BOE-267-F is a new form recommended for use by assessors to notify claimants of a property's ineligibility.

Supplemental affidavits are also required for certain property types (lower-income housing, elderly/handicapped housing, limited partnerships, and rehabilitation). Revisions were made on these forms to remove the requirement to file in duplicate.

**CLAIM FOR ORGANIZATIONAL CLEARANCE CERTIFICATE – WELFARE EXEMPTION**

(SEE SECTION 254.6 OF THE REVENUE AND TAXATION CODE)

*This form must be completed and filed with the Assessment Policy and Standards Division,  
Board of Equalization, P.O. Box 942879, Sacramento, California 94279-0064.*

\_\_\_\_\_ states:  
(name of person making claim)

1. That as \_\_\_\_\_  
(title, such as president, etc.)

2. of the \_\_\_\_\_  
(corporate name from articles if incorporated)

3. the corporate identification number of which, if any, is \_\_\_\_\_  
(if none, enter "none")

4. the mailing address of which is \_\_\_\_\_  
(give complete address including zip code)

5. that I make this claim for an Organizational Clearance Certificate on behalf of this organization for the 20 \_\_\_\_ -20 \_\_\_\_ fiscal year (*carefully follow instructions for the year to be entered here*);

6. that the owner is not organized or operated for profit;

7. that no part of the net earnings of the owner inures to the benefit of any private shareholder or individual; \_\_\_\_\_

8. Organizational documents \_\_\_\_\_

(a) Corporations

(1) Date of incorporation \_\_\_\_\_ (date filed with Secretary of State) (2) Date or dates of all amendments to the articles of incorporation \_\_\_\_\_

(a)(3) Is the nonprofit corporation a managing general partner of a Limited Partnership? ☐ Yes ☐ No If **yes**, please submit form BOE-267-L1 and a copy of the certified Secretary of State form LP-1 for each limited partnership.  
Attach a copy of the articles of incorporation and each amendment, if any, certified by the Secretary of State.

(b) Non-corporations

(1) Date of organization \_\_\_\_\_ (date filed with Secretary of State) (2) Date or dates of all amendments to the constitution, trust instrument, or other document evidencing nature of organization \_\_\_\_\_  
Attach a copy of the constitution, trust instrument, etc., and each amendment (if any).

9. Activities  
State fully all activities in which the organization is engaged (*include all activities since January 1 of prior year*):  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10. Indebtedness  
Has the organization any outstanding bonds, debentures, promissory notes, or other evidence of indebtedness issued for its overall operation? ☐ Yes ☐ No If **yes**, give specific details as to type and terms of such indebtedness and to whom owing:  
\_\_\_\_\_  
\_\_\_\_\_

11. Financial statements of the organization  
Attach to this claim a copy of your **operating statement (income, expenses) and balance sheet (assets, liabilities) for the calendar or fiscal year immediately preceding the claim year.**

12. Is the organization exempt from state franchise or income tax under the provisions of section 23701d of the Revenue and Taxation Code or exempt from federal income tax under the provisions of section 501(c)(3) of the Internal Revenue Code? ☐ Yes ☐ No  
If **yes**, attach a copy of the letter evidencing the exemption. If **no**, the organization is **not** eligible for the organizational clearance certificate unless it is a volunteer fire department or public facility financing corporation which is exempt under section 23701f or 501(c)(4) of the Revenue and Taxation Code.

13. Salaries  
Is the salary paid to any individual in excess of \$1,500 weekly or \$78,000 annually? ☐ Yes ☐ No  
If **yes**, list each of the top five positions with their salaries \_\_\_\_\_

NOTE: As a prerequisite to the allowance of the welfare exemption, an organization must receive an Organizational Clearance Certificate from the Board of Equalization.

**Whom should we contact during normal business hours for additional information?**

NAME \_\_\_\_\_

DAYTIME PHONE NUMBER \_\_\_\_\_ EMAIL ADDRESS \_\_\_\_\_  
( )

**CERTIFICATION***I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon,  
including any accompanying statements or documents, is true, correct and complete to the best of my knowledge and belief.*

SIGNATURE OF PERSON MAKING CLAIM \_\_\_\_\_ DATE \_\_\_\_\_



## INSTRUCTIONS FOR FILING A CLAIM FOR AN ORGANIZATIONAL CLEARANCE CERTIFICATE – WELFARE EXEMPTION

(SEE SECTION 254.6 OF THE REVENUE AND TAXATION CODE)

### ORGANIZATIONAL CLEARANCE CERTIFICATE

An organization that intends to claim the welfare exemption, shall file with the State Board of Equalization (Board) a claim for an Organizational Clearance Certificate. The Board shall review each claim to determine whether the organization meets the requirements of section 214 and shall issue a certificate to a claimant that meets these requirements. The Assessor may not approve a property tax exemption claim until the claimant has been issued a valid Organizational Clearance Certificate. If a welfare exemption claim is filed timely with the Assessor, the claim will be considered timely filed even if the claimant has not yet received the Organizational Clearance Certificate from the Board.

### FILING OF CLAIM

Claims for the Organizational Clearance Certificate must be signed and filed **with the Board**. Each claim must contain supporting documents **including financial statements**.

An officer or duly authorized representative of the organization must sign the claim.

A copy of the claim and supporting documents should be retained by the organization.

**All questions must be answered.** If you do not answer all questions, it may result in denial of the Organizational Clearance Certificate. Leave no blanks; use “no,” “none,” or “not applicable” where needed.

The Constitution and statutes of the State of California require that the organization meet certain requirements. In responding to the questions set forth on the claim, the details and activities of the organization since January 1 of the prior year should be considered and not the details of any property owned or operated by the organization.

- Line 5.** The initial fiscal year for which the Organizational Clearance Certificate is sought must be entered correctly. The proper fiscal year follows the lien date (12:01 a.m., January 1) as of which the taxable or exempt status of the property is determined. For example, a person filing a claim for an Organizational Clearance Certificate in February 2004 would enter “2004-2005” on line four of the claim; a “2003-2004” entry on a claim filed in February 2004 would signify that a claim was being filed for the preceding fiscal year.
- Line 8.** An organization **must** attach a copy of the Articles of Incorporation and any amendments thereto certified by the Secretary of State, or comparable instrument for unincorporated organizations.  
If the corporation is a managing general partner of a Limited Partnership, please submit form BOE-267-L1 and a copy of the certified Secretary of State form LP-1 for each limited partnership. An organizational clearance certificate cannot be issued without the Board’s receipt of these documents.
- Line 9.** State briefly **all of the activities** in which the organization is currently engaged since January 1 of the prior year. *Do not copy a statement of purposes from the articles of incorporation or comparable instrument.* List the primary activity first.
- Line 10.** If the answer is yes, list the type of obligations (such as bonds, notes, etc.), the amounts of the obligations, the payment terms, and names of creditors. Use a separate schedule if necessary.
- Line 11.** In submitting the financial statements (balance sheet and operating statement) of the organization, the complete financial transactions of the organization should be included. If the nature of any item of income or disbursement is not clear from the account name, further explanation indicating the nature of the account should be appended. **Your claim will not be processed until the financial statements are received.**
- Line 12.** An organization filing a claim for an Organizational Clearance Certificate **must** attach a copy of the letter evidencing the exemption from state franchise or income tax or a copy of the letter evidencing the exemption from federal income tax. **If the letter provided has subsequently been revoked, attach a copy of the letter stating that fact.**
- Line 13.** Give title of position (do not list names of position holders) and weekly or annual salary, commissions, or percentage payments.

### ADDITIONAL INFORMATION

The organization must furnish additional information to the Board of Equalization (Board), if requested. The Board may institute an audit or verification of the operations of the organization to determine whether the organization meets the requirements of section 214.



**CLAIM FOR ORGANIZATIONAL CLEARANCE CERTIFICATE – VETERANS' ORGANIZATION EXEMPTION****BOARD OF EQUALIZATION**

(SEE SECTION 254.6 OF THE REVENUE AND TAXATION CODE)

This form must be completed and filed with the Assessment Policy and Standards Division,  
Board of Equalization, P.O. Box 942879, Sacramento, California 94279-0064.

\_\_\_\_\_ states:  
(name of person making claim)

1. That as \_\_\_\_\_  
(title, such as president, commander, etc.)

2. of the \_\_\_\_\_  
(corporate name **from articles** if incorporated)

3. the corporate identification number of which, if any, is \_\_\_\_\_  
(if none, enter "none")

4. the mailing address of which is \_\_\_\_\_  
(give complete address including zip code)

5. that this claim for an Organizational Clearance Certificate is made on behalf of this organization for the 20 \_\_\_\_\_ – 20 \_\_\_\_\_ fiscal year (carefully follow instructions for the year to be entered here);

6. that the owner is not organized or operated for profit;

7. that no part of the net earnings of the owner inures to the benefit of any private shareholder or individual;

8. that the claimant is a veterans' organization which has been chartered by the Congress of the United States;

9. Organizational Documents \_\_\_\_\_

a. Corporations

(1) Date of incorporation \_\_\_\_\_  
(date filed with Secretary of State)

(2) Date or dates of all amendments to the articles of incorporation \_\_\_\_\_  
(date filed with Secretary of State)

Attach a copy of the articles of incorporation and each amendment, if any, certified by the Secretary of State.

b. Non-corporations

(1) Date of organization \_\_\_\_\_ (2) Date or dates of all amendments to the constitution, trust instrument, or other document evidencing nature of organization \_\_\_\_\_

Attach a copy of the constitution, trust instrument, or other document evidencing the nature of the organization and each amendment (if any).

10. Activities  
State fully all activities in which the organization is engaged (include all activities since January 1 of prior year): \_\_\_\_\_

11. Indebtedness  
Has the organization any outstanding bonds, debentures, promissory notes, or other evidence of indebtedness issued for its over-all operation?  
☐ Yes ☐ No If **yes**, give specific details as to type and terms of such indebtedness and to whom owing: \_\_\_\_\_

12. Financial statements of the organization  
Attach to this claim a copy of your **operating statement (income, expenses) and balance sheet (assets, liabilities)** for the calendar or fiscal year immediately preceding the claim year.

13. Is the organization exempt from state franchise or income tax under the provisions of section 23701f or 23701w of the Revenue and Taxation Code or exempt from federal income tax under the provisions of section 501(c)(4) or 501(c)(19) of the Internal Revenue Code? ☐ Yes ☐ No If **yes**, attach a copy of the letter evidencing the exemption.

14. Salaries  
Is the salary paid to any individual in excess of \$1,500 weekly or \$78,000 annually? ☐ Yes ☐ No If **yes**, list each of the top five positions with their salaries \_\_\_\_\_

\* As a prerequisite to the allowance of the veterans' organization exemption, an organization must receive an Organization Clearance Certificate from the Board of Equalization

**Whom should we contact during normal business hours for additional information?**

NAME \_\_\_\_\_

DAYTIME PHONE NUMBER \_\_\_\_\_

( ) \_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_

**CERTIFICATION**

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct and complete to the best of my knowledge and belief.

SIGNATURE OF PERSON MAKING CLAIM \_\_\_\_\_

DATE \_\_\_\_\_

**THIS EXEMPTION CLAIM IS A PUBLIC RECORD AND IS SUBJECT TO PUBLIC INSPECTION.**

**INSTRUCTIONS FOR FILING A CLAIM FOR AN  
ORGANIZATIONAL CLEARANCE CERTIFICATE – VETERANS' ORGANIZATION EXEMPTION**  
(SEE SECTION 254.6 OF THE REVENUE & TAXATION CODE)

**ORGANIZATIONAL CLEARANCE CERTIFICATE**

An organization that intends to claim the veterans' organization exemption, shall file with the State Board of Equalization (Board) a claim for an Organizational Clearance Certificate. The Board shall review each claim to determine whether the organization meets the requirements of section 214 and shall issue a certificate to a claimant that meets these requirements. The assessor may not approve a property tax exemption claim until the claimant has been issued a valid organizational clearance certificate. If the veterans' organization exemption claim is filed timely with the assessor, the claim will be considered timely filed even if the claimant has not yet received the organizational clearance certificate from the Board.

**FILING OF CLAIM**

A claim for the organizational clearance certificate must be signed and filed **with the Board**. Each claim must contain supporting documents **including financial statements**.

An officer or duly authorized representative of the organization must sign the claim.

A copy of the claim and supporting documents should be retained by the organization.

**All questions must be answered.** If you do not answer all questions, it may result in denial of the Organizational Clearance Certificate. Leave no blanks; use "no," "none," "not applicable."

The Constitution and statutes of the State of California require that the organization meet certain requirements. In responding to the questions set forth on the claim, the details and activities of the organization since January 1 of the prior year should be considered and not the details of any property owned or operated by the organization.

**Line 5. Fiscal Year**

The initial fiscal year for which the organizational clearance certificate is sought must be entered correctly. The proper fiscal year follows the lien date (12:01 a.m., January 1) as of which the taxable or exempt status of the property is determined. For example, a person filing a claim for an Organizational Clearance Certificate in February 2004 would enter "2004-2005" on line 4 of the claim; a "2003-2004" entry on a claim filed in February 2004 would signify that a late claim was being filed for the preceding fiscal year.

**Line 9.** A veteran's organization **must** attach a copy of the Articles of Incorporation and any amendments thereto certified by the Secretary of State, or comparable instrument for unincorporated organizations. An organizational clearance certificate cannot be issued without the Board's receipt of these documents.

**Line 10.** State briefly all **of the activities** in which the organization is currently engaged (since January 1 of the prior year.) *Do not copy a statement of purposes from the articles of incorporation or comparable instrument.* List the primary activity first.

**Line 11.** If the answer is yes, list the type of obligations (such as bonds, notes, etc.), the amounts of the obligations, the payment terms, and names of creditors. Use a separate schedule if necessary.

**Line 12.** In submitting the financial statements (balance sheet and operating statement) of the organization, the complete financial transactions of the organization should be included. If the nature of any item of income or disbursement is not clear from the account name, further explanation indicating the nature of the account should be appended.  
**Your claim will not be processed until the financial statements are received.**

**Line 13.** An organization filing a claim for an organizational clearance certificate **must** attach **a copy** of the letter evidencing the exemption from state franchise or income tax, or **a copy** of the letter evidencing the exemption from federal income tax. **If the letter provided has subsequently been revoked, attach a copy of the letter stating that fact.**

**Line 14.** Give title of position (*do not list names of position holders*) and weekly or annual salary, commissions, or percentage payments.

**ADDITIONAL INFORMATION**

The organization must furnish additional information to the Board of Equalization (Board), if requested. The Board may institute an audit or verification of the operations of the organization to determine whether the organization meets the requirements of section 214.

**PERIODIC FILING FOR ORGANIZATIONAL CLEARANCE CERTIFICATE –  
WELFARE OR VETERANS' ORGANIZATION EXEMPTION**

This form must be completed and filed with the Assessment Policy and Standards Division, Board of Equalization, P.O. Box 942879, Sacramento, California 94279-0064 by February 15, 20\_\_\_\_. Carefully read the information on reverse before completing.

Corporate Name and Mailing Address:

Organization Type and Filing Period:

BOE EX. No.:

Type:

Corporate I.D. No.:

Year last periodic claim form filed:

**1. Organizational Documents****(a) Corporations**

Have the organization's articles of incorporation been amended since the last filing? ☐ Yes ☐ No If **yes**, please submit a copy of the amendment certified by the Secretary of State.

(a-1) Is the nonprofit corporation a managing general partner of a Limited Partnership? ☐ Yes ☐ No If **yes**, has the partnership agreement been amended to admit a new managing general partner to the limited partnership? ☐ Yes ☐ No If **yes**, please submit a copy of the endorsed Secretary of State form LP-2.

**(b) Non-corporations**

Have the organization's constitution, trust instrument or other document evidencing the nature of the organization, been amended since the last filing? ☐ Yes ☐ No If **yes**, please submit a copy of the amendment.

**2. Tax Exemption Status****(a) Welfare Exempt Organizations**

Is the organization exempt from state franchise or income tax under the provisions of section 23701d of the Revenue and Taxation Code or exempt from federal income tax under the provisions of section 501(c)(3) of the Internal Revenue Code? ☐ Yes ☐ No

Is the organization a volunteer fire department or public facility financing corporation that is exempt under section 23701f of the Revenue and Taxation Code or section 501(c)(4) of the Internal Revenue Code? ☐ Yes ☐ No

**(b) Veterans' Organization Exemption**

Is the organization exempt from state franchise or income tax under sections 23701f or 23701w of the Revenue and Taxation Code or exempt from federal income tax under sections 501(c)(4) or 501(c)(19) of the Internal Revenue Code? ☐ Yes ☐ No

**3. Activities**

State fully all activities in which the organization is engaged: \_\_\_\_\_

**4. Indebtedness**

Has the organization any outstanding bonds, debentures, promissory notes, or other evidence of indebtedness issued for its overall operation? ☐ Yes ☐ No If **yes**, provide specific details as to type and terms of such indebtedness and to whom owing.

**5. Salaries**

Is the rate of pay to any individual in excess of \$1,500 weekly or \$78,000 annually? ☐ Yes ☐ No If **yes**, list each of the top five positions with their rate of pay: \_\_\_\_\_

**6. Financial Statements of the Organization**

Attach to this claim a copy of your operating statement (income, expenses) and balance sheet (assets, liabilities) for the immediately preceding calendar or fiscal year.

**CERTIFICATION**

*I certify (or declare) under penalty of perjury under the laws of the State of California that all the information submitted with this claim, including any accompanying statements or documents, is true, correct and complete to the best of my knowledge and belief.*

SIGNATURE OF CLAIMANT



DATE

PRINTED NAME OF PERSON TO CONTACT FOR ADDITIONAL INFORMATION

TITLE

TELEPHONE NO. AND/OR E-MAIL ADDRESS

## **INSTRUCTIONS FOR PERIODIC FILING FOR ORGANIZATIONAL CLEARANCE CERTIFICATE WELFARE OR VETERANS' ORGANIZATION EXEMPTION**

### **FILING OF CLAIM**

A claim for the organizational clearance certificate will be mailed to organizations on a periodic basis to verify and update information. The claim form must be completed, signed and filed with the Board, with supporting documents, to maintain eligibility for the certificate. An officer or duly authorized representative of the organization must sign the claim. A copy of the claim should be retained by the organization. All questions must be answered, leave no blanks; use "no," "none," or "not applicable" where needed. If you do not answer all questions, it may result in revocation of the organizational clearance certificate.

The Constitution and statutes of the State of California require that the organization meet certain requirements. You are required to provide details and activities of the organization since the last filing of the periodic claim form in responding to the questions set forth on the claim. Please review the front of this claim form for the last year a claim was filed.

Question 1: An organization must attach a certified copy of any amendments to the Articles of Incorporation or comparable instrument for unincorporated organizations since January 1 of the year in which the last periodic claim was filed (see front sheet of claim form for year last filed).

If the corporation is the managing general partner of a Limited Partnership and the answer is yes, please submit a copy of the certified Secretary of State form LP-2.

Question 2: The organization submitted a tax exemption letter to the Board with the initial claim. If the tax exemption letter has subsequently been suspended or revoked, attach a copy of the letter stating that fact.

Question 3: State briefly all of the organization's activities since January 1 of the year in which the last periodic claim was filed (see front sheet of claim form for the year last filed).

Question 4: If the answer is yes, list the type of obligations (such as bonds, notes, etc.), the amounts of the obligations, the payment terms, and names of creditors. Use a separate schedule if necessary.

Question 5: Give the title of the position (do not list names of position holders) and weekly or annual salary, commissions, or percentage payments.

6. Financial Statements. In submitting the financial statements (balance sheet and operating statement) of the organization, the complete financial transactions of the organization should be included. If the nature of any item of income or disbursement is not clear from the account name, further explanation indicating the nature of the account should be appended. Your claim will not be processed until the financial statements are received. If you do not submit financial statements, it may result in suspension or revocation of the organizational clearance certificate.

## STATE BOARD OF EQUALIZATION, PROPERTY AND SPECIAL TAXES DEPARTMENT

ASSESSMENT POLICY AND STANDARDS DIVISION

PO BOX 942879, MIC:64, Sacramento, CA 94279-0064

Exemptions Section: 916-445-3524; Division: 916-445-4982

**WELFARE OR VETERANS' ORGANIZATION EXEMPTION  
ORGANIZATIONAL CLEARANCE CERTIFICATE FINDING SHEET**

DATE:

Organization Name and Mailing Address:

Organization Information:

BOE EX. No.:

Status:

Type:

Corporate I.D. No.:

Fiscal Year:

Under the provisions of section 254.6 of the Revenue and Taxation Code, we have reviewed the Claim for Organizational Clearance Certificate together with other material submitted for the above organization. Our finding is that the requirements of section 214 or section 215.1 and following of the Revenue and Taxation Code, which provide for the welfare or veterans' organization exemption, have "Been Met," "Not Been Met," or your claim was determined to be "Incomplete" as indicated below:

☐ BEEN MET☐ INCOMPLETE☐ NOT BEEN MET

PURPOSE:

☐ A.I.☐ R.N.A.☐ Religious☐ A.A.I.☐ H.N.A.☐ Hospital☐ I.D.☐ S.N.A.☐ Scientific☐ D.C.☐ C.N.A.☐ Charitable☐ N.T.L.☐ N.F.S.☐ N.O.S.

If this finding sheet indicates an Incomplete or Not Been Met finding, you may submit additional information and/or documents in support of your claim. Please submit such documents, along with this finding sheet, to the address listed on the top of this form.

**SEE REVERSE FOR DESCRIPTION OF CODES AND BELOW FOR ADDITIONAL COMMENTS REGARDING THE ORGANIZATION'S FINDING:**

(Please note that the Assessor may not grant a Welfare or Veterans' Organization tax exemption on a claimant's property until the claimant has been issued a valid organizational clearance certificate according to section 254.6 of the Revenue and Taxation Code.)

The claimant may appeal the Board of Equalization staff's finding of ineligibility with the Board within 60 days of the date of mailing of the final notice of ineligibility (form BOE-277-F2). The appeal shall be in writing and shall state specific grounds upon which the appeal is founded. The Board shall conduct a hearing and shall provide written findings to support its decision.

## DESCRIPTION OF CODES

### CODE      INCOMPLETE CLAIM

- A.I.      Endorsed/Certified copy of articles of incorporation, or in the case of any noncorporate fund or foundation, bylaws, articles of association, constitution, or regulations, must be submitted.
- A.A.I.      Endorsed/Certified copy of amendment(s) to articles of incorporation, or in the case of any noncorporate fund or foundation, bylaws, articles of association, constitution, or regulations, must be submitted.
- I.D.      Articles of incorporation, or in the case of any noncorporate fund or foundation, bylaws, articles of association, constitution, or regulations, have no provision for the irrevocable dedication for the property, or the provision for the irrevocable dedication clause is unacceptable. (If applicable, see enclosed general information on organizational documents for acceptable language.)
- D.C.      Articles of incorporation, or in the case of any noncorporate fund or foundation, bylaws, articles of association, constitution, or regulations, have no provision for the dissolution clause, or the provision for the dissolution clause is unacceptable. (If applicable, see enclosed general information on organizational documents for acceptable language.)
- N.T.L.      Welfare: No tax letters under section 23701(d) of the Revenue and Taxation Code or section 501(c)(3) of the Internal Revenue Code of 1954.
- Veterans' Organization: No tax letters under section 23701(f) of the Revenue and Taxation Code or under section 501(c)(4) of the Internal Revenue Code of 1954, or under 501(c)(19) added by Public Law 92-418 in 1972.
- N.F.S.      No financial statement. Need copy of statement of assets and liabilities for the calendar or fiscal year immediately preceding the claim year.
- N.O.S.      No operating statement. Need copy of revenue and expenses for the calendar or fiscal year immediately preceding the claim year.

### REQUIREMENTS NOT BEEN MET

- R.N.A.      Religious purpose of organization not apparent. Claimant must explain in detail the religious aspect of the organization.
- H.N.A.      Hospital purpose of organization not apparent. Claimant must explain in detail the hospital aspect of the organization.
- S.N.A.      Scientific purpose of organization not apparent. Claimant must explain in detail the scientific aspect of the organization.
- C.N.A.      Charitable purpose of organization not apparent. Claimant must explain in detail the charitable aspect of the organization.

## STATE BOARD OF EQUALIZATION, PROPERTY AND SPECIAL TAXES DEPARTMENT

ASSESSMENT POLICY AND STANDARDS DIVISION

PO BOX 942879, MIC:64, Sacramento, CA 94279-0064

Exemptions Section: 916-445-3524; Division: 916-445-4982

**WELFARE OR VETERANS' ORGANIZATION EXEMPTION  
ORGANIZATIONAL CLEARANCE CERTIFICATE – PRELIMINARY NOTICE**

DATE:

Organization Name and Mailing Address:

--

Organization Information:

BOE EX. No.:

Status:

Type:

Corporate I.D. No.:

Fiscal Year:

As indicated on the *Welfare or Veterans' Organization Exemption Organizational Clearance Certificate Finding Sheet*, review of your claim discloses that the organization does not meet the requirement(s) for the certificate for the reason(s) noted below. If you do not agree with the finding, within 30 days of the date of this notice, you may either submit: (1) supplementary documentation, (2) a written request to the Board for a 30-day extension for submission of documentation.

Your above claim has been denied for one or more of the following reasons:

- ☐ Religious purpose of organization is not apparent (Coded – R.N.A.)
- ☐ Hospital purpose of organization is not apparent (Coded – H.N.A.)
- ☐ Scientific purpose of organization is not apparent (Coded – S.N.A.)
- ☐ Charitable purpose of organization is not apparent (Coded – C.N.A.)

Upon receipt of supplementary documentation, Board staff will conduct a complete review of such materials/claim, and issue a second *Welfare or Veterans' Organization Exemption Organizational Clearance Certificate Finding Sheet* notifying you of the result. If the claim is approved, a second finding sheet will be sent to you indicating that the requirements for exemption have been met. If the claim is still denied, a second finding sheet and a *Final Notice* will be sent advising your organization of its rights for a hearing with the Board. If you have any questions, please contact the Board's Exemption Section.

\*A petition for hearing must (1) be addressed to the Chief, Board Proceedings Division, (2) state all the specific grounds upon which qualification is claimed, (3) include all documents that you wish the Board to consider in deciding the petition, and (4) indicate whether an oral hearing is desired, and, if so, estimate the time necessary therefor. The petition must be signed by an authorized representative and mailed to: Chief, Board Proceedings Division, MIC:81, State Board of Equalization, PO Box 942879, Sacramento, CA 94279-0081, or deposited personally at the Board's office at 450 N Street, Sacramento. If the 30th day falls on a Saturday, Sunday, or legal holiday, the time limit is extended to the following business day. The Rules of Practice, which specify the procedures for filing a petition, may be accessed on the Board's website [www.boe.ca.gov/regs/lawruleregcont.htm](http://www.boe.ca.gov/regs/lawruleregcont.htm).



**CLAIM FOR WELFARE EXEMPTION (FIRST FILING)**

EXEMPTION FROM PROPERTY TAXES UNDER SECTIONS 4(b) AND 5 OF ARTICLE XIII OF THE CONSTITUTION OF THE STATE OF CALIFORNIA AND SECTIONS 214, 254.5 AND 259.5 OF THE REVENUE AND TAXATION CODE

(See also sections 213.7, 214.01-214.1, 215.2, 221-222.5, 225.5, 231, 236, 254-254.6, 259.5, 261, and 270-272 of the Revenue and Taxation Code)

**To receive the full exemption, a claimant must complete and file this form with the Assessor by February 15, or within 30 days of the date of Notice of Supplemental Assessment, whichever comes first.**

(Read instructions carefully before preparing claim and supporting schedules.)

- Please check one: ☐ Organization is filing for exemption for the first time in county.  
☐ Organization is already receiving exemption for another property in county, organization is seeking exemption on added location.

states:

(name of person making claim)

1. That as \_\_\_\_\_  
(title, such as president, etc.)
2. of the \_\_\_\_\_  
(corporate name from articles if incorporated)
3. the corporate identification number of which, if any, is \_\_\_\_\_  
(if none, enter "none")
4. the organization has an Organizational Clearance Certification issued by the State Board of Equalization. ☐ Yes ☐ No  
If **yes**, provide Certificate No. \_\_\_\_\_ and attach copy. If **no**, please check applicable box below:  
☐ An application for the BOE Organizational Clearance Certificate has been filed, but a certificate has not yet been issued, or  
☐ An application for the BOE Organizational Clearance Certificate has not yet been filed. (Contact the Board at 916-445-3524 to request an application form, BOE-277.)
5. the mailing address of which is \_\_\_\_\_  
(give complete address including zip code)
6. that I make this claim for welfare exemption on behalf of this organization for the 20 \_\_\_\_\_ -20 \_\_\_\_\_ fiscal year (carefully follow instructions for the year to be entered here);
7. that the **property is used for the actual operation of the exempt activity**;
8. that the property is not used or operated by the owner or by any other person so as to benefit any officer, trustee, director, shareholder, member, employee, contributor, or bondholder of the owner or operator, or any other person, through the distribution of profits, payment of excessive charges or compensations, or the more advantageous pursuit of his business or profession;
9. that the property is not used by the owners or members for fraternal or lodge purposes, or for social club purposes except where such use is clearly incidental to a primary religious, hospital, scientific, or charitable purpose.
10. Prior filings  
Has the organization filed for the welfare exemption in this county in prior years? ☐ Yes ☐ No If **yes**, state:  
(a) Latest year filed \_\_\_\_\_ (b) Exact name of organization filed under \_\_\_\_\_

\*If the owner and operator of the property are not the same, each must execute a separate claim.

FOR ASSESSOR'S USE ONLY	
Received by _____ (Assessor's designee)	NAME _____
of _____ (county or city)	on _____ (date)

**Whom should we contact during normal business hours for additional information?**

DAYTIME PHONE NUMBER ( )	EMAIL ADDRESS
-----------------------------	---------------

**CERTIFICATION**

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct and complete to the best of my knowledge and belief.

SIGNATURE OF PERSON MAKING CLAIM

DATE



**THIS EXEMPTION CLAIM IS A PUBLIC RECORD AND IS SUBJECT TO PUBLIC INSPECTION.**

11. Address of this property \_\_\_\_\_  
(give complete address including zip code)

12. Is this a new location this year? ☐ Yes ☐ No When was this property first put to an exempt use?

Date \_\_\_\_\_, 20 \_\_\_\_\_.  
(month/day) (year)

13. If claiming exemption for real property, what date was the property acquired? \_\_\_\_\_

14. Description of Property and Property Use:

(a) If seeking exemption on Land, provide the following:

(a)(1) Legal description or map book, page, and parcel number from the most recent tax statement \_\_\_\_\_

(a)(2) Area in acres or square feet \_\_\_\_\_

(a)(3) Primary and incidental use of the property described \_\_\_\_\_

(b) If seeking exemption on Buildings or Improvements, please provide the following:

(b)(1) Building number or name, number of floors, number of rooms, type of construction \_\_\_\_\_

(b)(2) State the primary and incidental use of the property described \_\_\_\_\_

(c) If seeking exemption on personal property, provide the following:

(c)(1) Personal Property description (type) \_\_\_\_\_

(c)(2) State the primary and incidental use of the property described \_\_\_\_\_

15. Owner and operator *(carefully check applicable boxes)*

Claimant is: ☐ owner and operator ☐ owner only ☐ operator only and claims exemption on all ☐ land ☐ buildings and improvements and/or ☐ personal property listed above. List the name of the organization which owns or operates the land, buildings, or personal property **other than the claimant**: \_\_\_\_\_

16. Leased or rented (since January 1 of prior year)

(a) Is any portion of the property indicated in 14 above rented, leased, or being used or operated part time or full time **by some other person or organization**? ☐ Yes ☐ No If **yes**, describe that portion and its use and attach a copy of agreement; list amount received by claimant: \_\_\_\_\_

(b) Is any equipment or other property at this location being leased, rented, or consigned from someone else? ☐ Yes ☐ No If **yes**, list equipment and other property at this location that is being leased, rented, or consigned to the claimant. Please list the name and address of lessor or consignor and the quantity and description of the property and attach to the claim. Property so listed is not subject to the exemption and will be assessed by the Assessor if owned by a taxable entity.

## 17. Living quarters (since January 1 of prior year)

Is any portion of this property used for living quarters (other than low income housing or housing for the elderly or handicapped) for any person? ☐ Yes ☐ No If **yes**, describe that portion:

---



---

Submit documentation that the housing is incidental to and reasonably necessary for the exempt purposes of the organization. (If living quarters associated with a rehabilitation program, submit BOE-267-R.) See instructions.

## 18. Sale of personal property (since January 1 of prior year)

Is any portion of the property indicated in 14 above used to operate a **store, thrift shop**, or other facility making sales to members or to the general public? ☐ Yes ☐ No If **yes**, list hours per week the business is operated and describe nature of articles sold:

---



---

Thrift Store

(a) Is this property used as a thrift store as part of a planned formal rehabilitation program? ☐ Yes ☐ No If **yes**, submit BOE-267-R.

## 19. Low-Income Housing

Is this property used as low income housing? ☐ Yes ☐ No If **yes**, form BOE-267-L must be submitted. If this property is owned by a limited partnership, form BOE-267-L1 must also be submitted. Additionally, if this property is owned by a limited partnership, please submit a copy of the certified Secretary of State form LP-1.

## 20. Elderly or Handicapped Housing

Is this property used as a facility for the elderly or handicapped? If **yes**, form BOE-267-H must be submitted unless care or services are provided or the property is financed by the federal government under sections 202, 231, 236, or 811 of the Federal Public Laws.

## 21. Expansion

Do you contemplate any capital investment in the property within the next year? ☐ Yes ☐ No If **yes**, explain:

---



---

## 22. Financial statements relating exclusively to this property

Attach to this claim a copy of your **operating statement (income, expenses) and balance sheet (assets, liabilities) for the calendar or fiscal year immediately preceding the claim year.**

23. Is the **property** for which this exemption is sought used for activities that produce income that is "unrelated business taxable income," as defined in section 512 of the Internal Revenue Code and that is subject to the tax imposed by section 511 of the Internal Revenue Code? ☐ Yes ☐ No

If **yes**, you must attach to this claim each of the following:

- (1) The organization's information and tax returns filed with the Internal Revenue Service for its immediately preceding fiscal year.
- (2) A statement setting forth the amount of time devoted to the organization's income-producing and to its nonincome-producing activities and, where applicable, a description of that portion of the property in which those activities are conducted.
- (3) A statement listing the specific activities which produce the unrelated business taxable income.
- (4) A statement setting forth the amount of income of the organization that is attributable to activities in this state and is exempt from income or franchise taxation and the amount of total income of the organization that is attributable to activities in this state.

## INSTRUCTIONS FOR FILING A CLAIM FOR WELFARE EXEMPTION FROM PROPERTY TAX

### GENERAL INFORMATION

#### FILING OF CLAIM

Claims for the welfare exemption must be signed and filed **with the Assessor**. Each claim must contain supporting documents **including financial statements**.

An officer or duly authorized representative of the organization **owning** the property must sign the claim. An officer or duly authorized representative of the organization **operating** the property must sign and file a separate claim. If an organization both owns and operates the property, only one claim need be signed and filed with the Assessor for each property location. A separate claim form must be completed and filed for each property for which exemption is sought.

The Assessor will supply claim forms and supporting documents upon request. A copy of the claim should be retained by the organization. It is recommended that the retained copy be submitted to the Assessor for acknowledgment of filing by entry of the date and the Assessor's or the designee's signature. This copy will serve as a record of filing should there be any later question relative thereto.

#### ORGANIZATION CLEARANCE CERTIFICATE

An organization that is seeking the welfare exemption shall file with the State Board of Equalization (Board) a claim for an Organizational Clearance Certificate. The Board shall review each claim to determine whether the organization meets the requirements of section 214 and shall issue a certificate to a claimant that meets these requirements. The Assessor may not approve a property tax exemption claim until the claimant has been issued a valid organizational clearance certificate. If the claim is filed timely with the Assessor, the claim will be considered timely filed even if the claimant has not yet received the organizational clearance certificate from the Board.

#### RECORDATION REQUIREMENT

Revenue and Taxation Code section 261 requires that an organization claiming the welfare exemption for its real property must have recorded its ownership interest as of the lien date (12:01 a.m., January 1) in the recorder's office of the county in which the property is located.

A claimant which on the lien date has a **possessory interest in publicly owned land, owns water rights, or owns improvements on land owned by another** may in lieu of recordation file a copy of the document giving rise to that possessory interest or water rights or file a written statement attesting to the separate ownership of those improvements with the Assessor. Failure to establish the fact of such recordation to the Assessor constitutes a **waiver** of the exemption.

#### TIME FOR FILING

To receive the full exemption the claimant must **file a claim each year on or before February 15**. Only 90 percent of any tax or penalty or interest thereon may be canceled or refunded when a claim is filed between February 16 of the current year and January 1 of the following calendar year; if the application is filed thereafter, only 85 percent of any tax or penalty or interest thereon may be canceled or refunded. In no case, however, is the tax, penalty, and interest for a given year to exceed \$250.

#### FISCAL YEAR

The fiscal year for which exemption is sought must be entered correctly. The proper fiscal year follows the lien date (12:01 a.m., January 1) as of which the taxable or exempt status of the property is determined. For example, a person filing a timely claim in February 2004 would enter "2004-2005" on line four of the claim; a "2003-2004" entry on a claim filed in February 2004 would signify that a late claim was being filed for the preceding fiscal year.

#### ADDITIONAL INFORMATION

The owner and the operator must furnish additional information to the Assessor, if requested. The Assessor may institute an audit or verification of the operations of the owner and of the operator and may request additional information from the claimant.

## PREPARATION OF CLAIM

The term *property* as used here means any operating unit of property consisting of one parcel or several contiguous parcels for which exemption is sought even though there may be several improvements and separate buildings thereon. All personal property for which exemption is sought should also be listed.

If the owner and operator of the property are not the same, each must execute a separate claim and give the information requested. **All questions must be answered.** Failure to answer all questions may result in denial of your claim. Leave no blanks; use "no," "none," or "not applicable" where needed. The following information is provided to assist you in answering specific questions on your claim.

- Line 10.** (a) Year filed is the year in which the claim was submitted to the Assessor.  
(b) Give exact name under which organization filed for year indicated in (a).
- Line 14.** (a)(1) Enter the legal description or map book, page, and *parcel number*. Use additional sheets if necessary.  
(a)(2): Indicate the area and the unit of measurement used. (a)(3): List the primary use which should qualify the property for exemption and the incidental use or uses of the property since January 1 of the prior year.  
(b)(1) List all buildings and improvements on the land. Use additional sheets if necessary. Describe as stucco, concrete and steel, brick, wood, etc. (b)(2): List the **primary use** and the incidental use or uses of the property since January 1 of the prior year.  
(c)(1) List the type of personal property. (c)(2): List the primary use and the incidental use or uses since January 1 of the prior year.
- Line 15.** If the owner and operator of any portion of the property are not the same, **both must file a claim**, and each must meet all of the requirements to obtain the exemption.
- Line 16.** (a) Copies of leases or agreements must be submitted if the answer is yes. If the leases or other agreements have been filed in prior years, it is only necessary to attach copies of subsequent extensions, modifications, and changes.  
(b) If the answer is yes, provide the names and addresses of the lessors and consignors and list the quantity and description of the property.
- Line 17.** If the answer is yes, describe the portion of the property used for living quarters. Submit documentation, including tenets, canons, or written policy, that indicates the organization requires housing be provided to employees and/or volunteers. Include statement why such housing is incidental to and reasonably necessary for the exempt purpose of the organization and the occupant's role or position in the organization. (This question is not applicable where the exempt activity is providing housing, for example, homes for aged, youth, mentally or physically disabled.)
- Line 18.** If the answer is yes, describe in sufficient detail to determine the volume of business and the hours open for business since January 1 of the prior year. If a business operation located on the listed parcel has been **deliberately omitted**, because you do not desire the exemption on the business, so state.
- Line 21.** If the answer is yes, describe the type of investment contemplated and the reasons that make such expansion necessary.
- Line 22.** In submitting the financial statements, the operating statement should be restricted to the financial transactions relating to the operation of the subject property. The income should include only those receipts that result from the operation of the property and should not include receipts from invested funds, gifts, or other items that do not result directly from the operation of the property.  
  
The expenditures should be limited to those resulting from the operation of the property. Any expenses of the organization or expenses extraneous to the operating unit should not be included. If compensation of personnel or other administrative expenses are pro-rated to the property, such pro-rata should be indicated. If the nature of an item of income or disbursement is not clear from the account name, further explanation indicating the nature of the account should be appended. **Your claim will not be processed until the financial statements are received by the Assessor.**
- Line 23.** If the answer is yes, provide the documents and other information requested.

**WELFARE EXEMPTION  
ASSESSOR'S FIELD INSPECTION REPORT**

☐ REGULAR ASSESSMENT  
☐ SUPPLEMENTAL ASSESSMENT

Information for Property No. \_\_\_\_\_ Year: \_\_\_\_\_

Name of organization \_\_\_\_\_

Address of **this** property \_\_\_\_\_ County \_\_\_\_\_  
(street, city)

☐ Owner only ☐ Operator only ☐ Owner-Operator

If claimant is owner, name of operator is \_\_\_\_\_

If claimant is operator, name of owner is \_\_\_\_\_

Date of last inspection of property \_\_\_\_\_

**A. Claimant**

1. Claimant is primarily: (check only one) ☐ a. religious ☐ b. hospital ☐ c. scientific ☐ d. charitable  
e. other (explain) \_\_\_\_\_

**B. Use of property**

1. The **primary activity** the property is used for is: (check only one)

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> a. administration | <input type="checkbox"/> e. fraternal and lodge meetings | <input type="checkbox"/> i. medical (not hospital) |
| <input type="checkbox"/> b. commercial     | <input type="checkbox"/> f. fund raising                 | <input type="checkbox"/> j. recreational           |
| <input type="checkbox"/> c. educational    | <input type="checkbox"/> g. hospital                     | <input type="checkbox"/> k. rehabilitation         |
| <input type="checkbox"/> d. farming        | <input type="checkbox"/> h. housing                      | <input type="checkbox"/> l. informational          |

m. other (explain) \_\_\_\_\_

2. **Other activities** the property is used for are: a. List letters used in B1

b. Other (explain) \_\_\_\_\_

3. **All or part** (write in all or part where applicable) of the property is: a. leased or rented

b. vacant or unused \_\_\_\_\_ c. in excess of that reasonably necessary \_\_\_\_\_ d. used to  
house personnel whose presence is not institutionally necessary \_\_\_\_\_

**C. Operation of property for benefit of persons**

1. In your opinion are services and expenses excessive? ☐ Yes ☐ No

If answer is **yes**, explain: \_\_\_\_\_

2. In your opinion do operations enhance anyone's private gain? ☐ Yes ☐ No

If answer is **yes**, explain: \_\_\_\_\_

3. In your opinion is the claimant's proposed new capital investment, if any, necessary? ☐ Yes ☐ No

If answer is **no**, explain: \_\_\_\_\_

- D. Ownership of real property (as of applicable lien date) is recorded in exact name of claimant** ☐ Yes ☐ No

If answer is **no**, explain: \_\_\_\_\_

Did owner file an exemption claim? ☐ Yes ☐ No

**E. Supplemental Assessment (in claimant's name):**

1. Date of change in ownership \_\_\_\_\_ Recorded ☐ Yes ☐ No

Ownership in name of claimant? \_\_\_\_\_

2. Date of completion of new construction \_\_\_\_\_

Explain what was constructed \_\_\_\_\_

3. Date put to exempt use \_\_\_\_\_ If only a portion of the property is put to an  
exempt use, describe exempt and nonexempt portions in detail \_\_\_\_\_

4. Notice: date mailed \_\_\_\_\_ ☐ Not mailed

5. Date claim for exemption from Supplemental Assessment was filed with Assessor \_\_\_\_\_

6. Date first installment of supplemental tax bill becomes (became) delinquent \_\_\_\_\_

- F. A claim for welfare exemption on this property:** a. was filed last year ☐ Yes ☐ No b. is new this year ☐ Yes ☐ No

c. was filed on property located at \_\_\_\_\_ last year.

(give complete address including zip code)

- G. Recommendation:** a. Approval \_\_\_\_\_ (part) \_\_\_\_\_ (all) b. Denial \_\_\_\_\_ (part) \_\_\_\_\_ (all)

Reason for denial (if partial denial, identify specific area to be denied) \_\_\_\_\_

Date \_\_\_\_\_ Inspection for \_\_\_\_\_, Assessor

By \_\_\_\_\_, Designee



**20 CLAIM FOR WELFARE  
EXEMPTION (ANNUAL FILING)**

To receive the full exemption, a claimant must complete and file this form with the Assessor by February 15. (Section 270, Revenue and Taxation Code, provides a partial exemption for late filing of Welfare Exemption.)

(Make necessary corrections to the printed name and address in ink.)

Organization Name and Mailing Address:

Property Location: County

Corporate I.D. No.:

This organization **owns** **rents/leases** this location:

Property No.:

Class:

Last year your organization received the welfare exemption for all or part of the property listed above. To continue receiving the exemption for this location, you **must** complete, sign and return this claim form to the Assessor. **A separate claim form is required for each location.** If you wish to receive the exemption on property at locations for which you have not received or filed a claim form, contact the Assessor immediately.

**The Assessor may ask for additional information. If you do not provide such information, it will result in denial of your claim for exemption.**

Carefully read the information on the reverse before completing. All questions must be answered. If the answer to any question is "Yes," explain in "Remarks" or on an attachment in duplicate. Contact the Assessor immediately if special forms are needed to complete this application.

If you no longer seek an exemption at this location, check here ☐ , sign and return this form to the Assessor.

**YES NO** Since January 1, last year:

- Has the use on any portion of the property that received an exemption last year changed?
- Is any portion of this property being used for exempt purposes that was not being used in that manner last year?
- Is any portion of this property vacant or unused? If **yes**, since (date) \_\_\_\_\_
- Is any portion of this property used as a retail outlet or for other fundraising purposes? (NOTE: Thrift stores which are part of a planned, formal rehabilitation program may be exempt if form BOE-267-R is filed with this claim.)
- Is any portion of the property used for living quarters (other than low income housing or housing for the elderly or handicapped listed under questions 6 or 7)? If **yes**, and you claim exemption for this portion, submit documentation including the occupant's position or role in the organization including a statement indicating that the housing continues to be used for organization's exempt purpose (see *Housing on reverse*) or, if living quarters associated with a rehabilitation program, submit BOE-267-R.
- Is this property used as low income housing? If **yes**, form BOE-267-L must be submitted. If this property is owned by a limited partnership, form BOE-267-L1 must also be submitted. Additionally, if this property is owned by a limited partnership and the partnership agreement has been amended, please submit a copy of the certified Secretary of State form LP-2 with this claim and mail a copy to the State Board of Equalization, Property and Special Taxes Department, Assessment Policy and Standards Division, P.O. Box 942897, MIC:64, Sacramento, CA 94279-0064. Check here if copy sent.
- Is this property used as a facility for the elderly or handicapped? If **yes**, form BOE-267-H must be submitted unless care or services are provided or the property is financed by the federal government under sections 202, 231, 236, or 811 of the Federal Public Laws.
- Do other persons or organizations use any of this property? If **yes**, list them. (See *Owner/Operator on reverse*.)
- Did this or any portion of this property generate taxable "unrelated business taxable income," as defined in section 512 of the Internal Revenue Code? If **yes**, see "Unrelated Income" on the reverse.
- Have the organization's articles of incorporation been amended? If **yes**, please submit a copy of the amendment certified by the Secretary of State to the State Board of Equalization, Property and Special Taxes Department, Assessment Policy and Standards Division, P.O. Box 942879, MIC:64, Sacramento, CA 94279-0064. Check here if copy sent.
- Have the organization's income and/or expenses increased by more than 25 percent since last year? If **yes**, attach a copy of your most recent and the prior year's complete financial statements.
- Is there any equipment or property at this location that is leased or rented to the claimant? If **yes**, provide the owner's name and address and a description of the property. This property is taxable as it is not owned by the claimant.

REMARKS (attach separate sheet if necessary)

NAME OF PERSON TO CONTACT FOR ADDITIONAL INFORMATION (please print)

DAYTIME PHONE NO.  
( )

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct and complete to the best of my knowledge and belief.

CLAIMANT'S SIGNATURE

TITLE

DATE

**ASSESSOR'S USE ONLY**

RECEIVED ON

REVIEWER'S NAME

REVIEWED ON

Approved: ALL PART Denied Reason(s) for Denial:

**THIS EXEMPTION CLAIM IS A PUBLIC RECORD AND IS SUBJECT TO PUBLIC INSPECTION.**

Make a copy of this document for your records.





**CLAIM FOR VETERANS' ORGANIZATION EXEMPTION**

EXEMPTION FROM PROPERTY TAXES UNDER SECTIONS 4(B) AND 5 OF ARTICLE XIII OF THE  
CONSTITUTION OF THE STATE OF CALIFORNIA AND SECTIONS 215.1 AND 259.7 OF THE REVENUE AND TAXATION CODE

(See also sections 214.01, 214.8, 215.2, 251, 254, 254.5, 254.6, 255, 260, 261, 270, and 271 of the Revenue and Taxation Code.)

**To receive the full exemption, a claimant must complete and file this form with the Assessor by February 15.**

(Read instructions carefully before preparing claim and supporting schedules.)

Please check one: ☐ Organization is filing for exemption for the first time in county.  
☐ Organization is already receiving exemption for another property in county, organization is seeking exemption on added location.

states:

(name of person making claim)

1. That as \_\_\_\_\_  
(title, such as president, commander, etc.)
2. of the \_\_\_\_\_  
(corporate name **from** articles if incorporated)
3. the corporate identification number of which, if any, is \_\_\_\_\_  
(if none, enter "none")
4. the organization has an Organizational Clearance Certification issued by the State Board of Equalization. ☐ Yes ☐ No.  
If **yes**, provide Certificate No. \_\_\_\_\_ and attach copy. If **no**, please check applicable box below:  
☐ An application for the BOE Organizational Clearance Certificate has been filed, but a certificate has not yet been issued, or  
☐ An application for the BOE Organizational Clearance Certificate has not yet been filed (contact the Board at 916-445-3524 to request an application form, BOE-279).
5. the address of which is \_\_\_\_\_;  
(give complete address including zip code)
6. that this claim for veterans' organization exemption is made on behalf of this organization for the 20 \_\_\_\_ – 20 \_\_\_\_ fiscal year (carefully follow instructions for the year to be entered here);
7. that the property is owned by a veterans' organization which has been chartered by the Congress of the United States;
8. that the property is used for the actual operation of the charitable activity;
9. that the property is not used or operated by the owner or by any other person so as to benefit any officer, trustee, director, shareholder, member, employee, contributor, or bondholder of the owner or operator, or any other person, through the distribution of profits, payment of excessive charges or compensations, or the more advantageous pursuit of their business or profession;
10. that the property is **not used by the owners or members for fraternal or lodge purposes**, or for social club purposes except where such use is clearly incidental to a primary religious, hospital, scientific, or charitable purpose.

\*If the owner and operator of the property are not the same, each must execute a separate claim.

**FOR ASSESSOR'S USE ONLY**

Received by \_\_\_\_\_  
(assessor's designee)  
of \_\_\_\_\_ on \_\_\_\_\_  
(county or city) (date)

**Whom should we contact during normal business hours for additional information?**

NAME

DAYTIME TELEPHONE

EMAIL ADDRESS

( )

**CERTIFICATION**

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct and complete to the best of my knowledge and belief.

SIGNATURE OF PERSON MAKING CLAIM

DATE



**THIS EXEMPTION CLAIM IS A PUBLIC RECORD AND IS SUBJECT TO PUBLIC INSPECTION.**

11. Address of this property \_\_\_\_\_  
(street, city)

**12. Description of Property and Property Use:**

(a) If seeking exemption on Land, provide the following:

(a) (1) Legal description or map book, page, and parcel number from the most recent tax statement \_\_\_\_\_

(a) (2) Area in acres or square feet \_\_\_\_\_

(a) (3) Primary and incidental use of the property described \_\_\_\_\_

(b) If seeking exemption on Buildings or Improvements, please provide the following:

(b) (1) Bldg # or name, # floors, # rooms, type of construction \_\_\_\_\_

(b) (2) state the primary and incidental use of the property described \_\_\_\_\_

(c) *Personal property is exempt under Revenue and Taxation Code section 215, and it is not necessary to list personal property owned by the organization.*

**13. Owner and operator (carefully check applicable boxes)**

Claimant is: ☐ owner and operator ☐ owner only ☐ operator only and claims exemption on all ☐ land

☐ buildings and improvements listed above. List the name of the organization which owns or operates the property **other than the claimant**: \_\_\_\_\_

**14. Leased or rented (since January 1 of prior year)**

(a) Is any portion of the property indicated in 12 above rented, leased, or being used or operated part time or full time by some other person or organization? ☐ Yes ☐ No If **yes**, describe that portion and its use and attach a copy of any agreement; list amount received by claimant: \_\_\_\_\_

(b) Is any equipment or other property at this location being leased, rented, or consigned from someone else?

☐ Yes ☐ No If **yes**, equipment and other property at this location that is being leased, rented, or consigned to the claimant, please list the name and address of lessor or consignor and the quantity and description of property and attach to claim. Property listed is not subject to the exemption and will be assessed by the Assessor if owned by a taxable entity.

**15. Sale of personal property (since January 1 of prior year)**

Is any portion of the property indicated in 12 above used to operate a **store, thrift shop, restaurant, bar**, or other facility making **sales** to members or to the general public? ☐ Yes ☐ No If **yes**, list hours per week the business is operated and describe nature of articles sold: \_\_\_\_\_

**16. Expansion**

Do you contemplate any capital investment in the property within the next year? ☐ Yes ☐ No If **yes**, explain: \_\_\_\_\_

**17. Financial statements relating exclusively to this property.**

Attach to this claim a copy of your **operating statement (income, expenses) and balance sheet (assets, liabilities)** for the calendar or fiscal year immediately preceding the claim year.

## INSTRUCTIONS FOR FILING CLAIM FOR VETERANS' ORGANIZATION EXEMPTION FROM PROPERTY TAX

### GENERAL INFORMATION

#### FILING OF CLAIM

A claim for the veterans' organization exemption must be signed and filed with the Assessor. Each claim must contain supporting documents, **including financial statements**. An officer or duly authorized representative of the organization **owning** the property must sign the claim. An officer or duly authorized representative of the organization **operating** the property must sign and file a separate claim. If the organization both owns and operates the property, only one claim need be signed and filed with the Assessor for each property location. A separate claim form must be completed and filed for each property for which exemption is sought.

The Assessor will supply claim forms upon request. A copy of the claim and supporting documents should be retained by the organization. It is recommended that the retained copy be submitted to the Assessor for acknowledgment of filing by entry of the date and the Assessor's or the designee's signature. This copy will serve as a record of filing should there be any later question relative thereto.

#### ORGANIZATIONAL CLEARANCE CERTIFICATE

An organization that is seeking the Veterans' Organization Exemption, shall file with the State Board of Equalization (Board) a claim for an Organizational Clearance Certificate. The Board shall review each claim to determine whether the organization meets the requirements of section 214 and shall issue a certificate to a claimant that meets these requirements. The Assessor may not approve a property tax exemption claim until the claimant has been issued a valid Organizational Clearance Certificate. If the claim is filed timely with the Assessor, the claim will be considered timely filed even if the claimant has not yet received the Organizational Clearance Certificate from the Board.

#### RECORDATION REQUIREMENT

Revenue and Taxation Code section 261 requires that an organization claiming the veterans' organization exemption for its real property must have recorded its ownership interest as of the lien date (12:01 a.m., January 1) in the recorder's office of the county in which the property is located. Not establishing the fact of such recordation constitutes a **waiver** of the exemption.

#### TIME FOR FILING

To receive the full exemption the claimant must **file a claim each year on or before February 15**. Only 90 percent of any tax or penalty or interest thereon may be canceled or refunded when a claim is filed between February 16 of the current year and January 1 of the following calendar year; if the application is filed thereafter, only 85 percent of any tax or penalty or interest thereon may be canceled or refunded. In no case, however, is the tax, penalty, and interest for a given year to exceed \$250.

#### FISCAL YEAR

The fiscal year for which exemption is sought must be entered correctly. The proper fiscal year follows the lien date (12:01 a.m., January 1) as of which the taxable or exempt status of the property is determined. For example, a person filing a timely claim in February 2004 would enter "2004-2005" on line 4 of the claim; a "2003-2004" entry on a claim filed in February 2004 would signify that a late claim was being filed for the preceding fiscal year.

#### ADDITIONAL INFORMATION

The owner and the operator must furnish additional information to the Assessor, if requested. The Assessor may institute an audit or verification of the operations of the owner and of the operator and may request additional information from the claimant.

## PREPARATION OF CLAIM

The term *property* as used here means any operating unit of property consisting of one parcel or several contiguous parcels for which exemption is sought even though there may be several improvements and separate buildings thereon. **Personal property owned** by a veterans' organization is specifically exempt under Revenue and Taxation Code section 215, and **no claim form is required**.

If the owner and operator of the property are not the same, each must execute a separate claim and give the information requested. ***All questions must be answered.*** If you do not answer all the questions, your claim may be denied. Leave no blanks; use "no," "none," or "not applicable" where needed.

The Constitution and statutes of the State of California require that the owner, and also the operator if other than the owner, meet certain requirements. In responding to the questions set forth on the claim, the details and activities since January 1 of the prior year should be considered.

**Line 12. (a)(1)** Enter the legal description or map book, page, and **parcel number**. Use additional sheets if necessary. Line (a)(2): Indicate the area and the unit of measurement used. Line (a)(3): List the primary use which should qualify the property for exemption and incidental use or uses of the property since January 1 of the prior year.

**(b)(1)** List all buildings and improvements on the land. Use additional sheets if necessary. Describe as stucco, concrete and steel, brick, wood, etc. Line (b)(2): List the primary use and incidental use or uses of the property since January 1 of the prior year.

**(c)** It is not necessary to list personal property **owned** by the organization.

**Line 13.** If the owner and operator of any portion of the property are not the same, **both must file a claim**, and each must meet all of the requirements to obtain the exemption.

**Line 14. (a)** Copies of leases or agreements must be submitted if the answer is yes. If the leases or other agreements have been filed in prior years, it is only necessary to attach copies of subsequent extensions, modifications, and changes. The schedule of use should clearly indicate the amount of time the property is actually in use.

**(b)** If the answer is yes, provide the names and addresses of the lessors and consignors and list the quantity and description of the property.

**Line 15.** If the answer is yes, describe in sufficient detail to determine the volume of business and the hours open for business since January 1 of the prior year. If a business operation located on the listed parcel has been deliberately omitted because you do not desire the exemption on the business, so state.

**Line 16.** If the answer is yes, describe the type of investment contemplated and the reasons that make such expansion necessary.

**Line 17.** In submitting the financial statements, the operating statement should be restricted to the financial transactions relating to the operation of the subject property. The income should include only those receipts that result from the operation of the property and should not include receipts from invested funds, gifts, or other items that do not result directly from the operation of the property.

The expenditures should be limited to those resulting from the operation of the property. Any expenses of the organization or expenses extraneous to the operating unit should not be included. If compensation of personnel or other administrative expenses are pro-rated to the property, such pro-rata should be indicated. If the nature of an item of income or disbursement is not clear from the account name, further explanation indicating the nature of the account should be appended. ***Your claim will not be processed until the financial statements are received by the Assessor.***

# VETERANS' ORGANIZATION EXEMPTION ASSESSOR'S FIELD INSPECTION REPORT

REGULAR ASSESSMENT ☐SUPPLEMENTAL ASSESSMENT ☐

Information for Property No. \_\_\_\_\_ Year: \_\_\_\_\_

Name of organization \_\_\_\_\_

Address of **this** property \_\_\_\_\_  
(street, city, state, zip code) County \_\_\_\_\_☐ Owner only ☐ Operator only ☐ Owner-Operator

Date of last inspection of property \_\_\_\_\_

**A. Claimant**

1. Claimant is primarily: (check only one)

a. Charitable \_\_\_\_\_ b. Other (explain) \_\_\_\_\_

**B. Use of property**

1. The primary activity the property is used for is: (check only one)

☐ a. Administration ☐ b. Commercial ☐ c. Educational ☐ d. Farming ☐ e. Fraternal and lodge meetings  
☐ f. Fund raising ☐ g. Hospital ☐ h. Housing ☐ i. Medical (not hospital)  
☐ j. Recreational ☐ k. Rehabilitation ☐ l. Informational ☐ m. Other (explain) \_\_\_\_\_
2. **Other activities** the property is used for are: a. List letters used in B1 \_\_\_\_\_

b. Other (explain) \_\_\_\_\_

3. **All or part** (write in all or part where applicable) of the property is: a. Leased or rented \_\_\_\_\_

b. Vacant or unused \_\_\_\_\_ c. In excess of that reasonably necessary \_\_\_\_\_

d. Used to house personnel whose presence is not institutionally necessary \_\_\_\_\_

**C. Operation of property for benefit of persons**1. In your opinion are services and expenses excessive? ☐ Yes ☐ No If **yes**, explain: \_\_\_\_\_2. In your opinion do operations enhance anyone's private gain? ☐ Yes ☐ No If **yes**, explain: \_\_\_\_\_3. In your opinion is proposed new capital investment, if any, necessary? ☐ Yes ☐ No If **no**, explain: \_\_\_\_\_**D. Ownership of property** (as of current lien date) is recorded in exact name of claimant. ☐ Yes ☐ No If **no**, explain: \_\_\_\_\_**E. Supplemental Assessment** (in claimant's name):1. Date of change in ownership \_\_\_\_\_ Recorded: ☐ Yes ☐ NoOwnership in name of claimant? ☐ Yes ☐ No

2. Date of completion of new construction \_\_\_\_\_

Explain what was constructed \_\_\_\_\_

3. Date put to exempt use \_\_\_\_\_ If only a portion of the property is put to an exempt use, describe exempt and nonexempt portions in detail \_\_\_\_\_

4. Notice: Date mailed \_\_\_\_\_ ☐ Not mailed

5. Date claim for exemption from supplemental assessment was filed with Assessor \_\_\_\_\_

6. Date first installment of supplemental tax bill becomes (became) delinquent \_\_\_\_\_

**F. A claim for veterans' organization exemption on this property:**

a. Was filed last year \_\_\_\_\_ b. Is new this year \_\_\_\_\_

c. Was filed on property located at \_\_\_\_\_ last year.

**G. Recommendation:** a. Approval \_\_\_\_\_ (street, city, state, zip code) b. Denial \_\_\_\_\_

Reason for denial (if partial denial, identify specific area to be denied) \_\_\_\_\_ (part) (all)

Date \_\_\_\_\_ Inspection for \_\_\_\_\_, Assessor

By \_\_\_\_\_, Deputy

# **WELFARE OR VETERANS' ORGANIZATION EXEMPTION ASSESSOR'S FINDING ON QUALIFICATION OF PROPERTY USE**

DATE:

Organization Name and Mailing Address:

Property Location:

Under the provisions of section 254.5 of the Revenue and Taxation Code, we have reviewed the Claim for Welfare or Veterans' Organization Exemption together with other material submitted for the above property. Our finding is that the requirements of section 214 or section 215.1 and following of the Revenue and Taxation Code, which provide for the welfare or veterans' organization exemption, have "Been Met," "Not Been Met," or your claim was determined to be "Incomplete" as indicated below:

☐ **BEEN MET**☐ P.P.O.☐ P.P. & IMP.☐ P.P. & P.I.☐ O.E.U.☐ E.U.☐ O.F.L.☐ L.R.☐ R.O.☐ N.I.N.☐ P.V.P.☐ L.F. (9-11)☐ L.F. (8-11)☐ **INCOMPLETE**☐ H.E.H.☐ H.L.I.☐ H.L.P.☐ R.L.G.☐ N.F.S.☐ N.O.S.☐ N.C.C.☐ N.C. (see below)☐ **NOT BEEN MET**☐ F.R.P.☐ N.E.U.☐ V.U.P.☐ P.N.R.☐ O.N.F.☐ O.N.Q.☐ L.F.

If this finding sheet indicates an Incomplete or Not Been Met finding, you may submit additional information and/or documents in support of your claim. Please submit such documents to the Assessor, along with a copy of this finding sheet.

**SEE REVERSE FOR DESCRIPTION OF ABBREVIATIONS AND BELOW FOR ADDITIONAL COMMENTS REGARDING THE FINDING:**

## **IMPORTANT NOTICE PLEASE READ CAREFULLY**

**IN FUTURE YEARS, YOU WILL NOT RECEIVE A FINDING SHEET FROM THIS OFFICE UNLESS THE PROPERTY IS INELIGIBLE FOR EXEMPTION.**

The Assessor may not approve a property tax exemption claim until the claimant has been issued a valid *Organization Clearance Certificate* from the State Board of Equalization.

If the exemption is denied and the claimant does not agree with the above findings, the claimant may seek a refund of property taxes paid by filing a claim for refund with the county board of supervisors, and if the claimant's refund with the county is denied, the claimant may file a refund action in superior court.

## ABBREVIATIONS USED IN PROCESSING CLAIMS FOR WELFARE OR VETERANS' ORGANIZATION EXEMPTION – QUALIFICATION OF PROPERTY USE

### REQUIREMENTS MET

CODE	DESCRIPTION
P.P.O.	Personal property only.
P.P. & IMP.	Personal property and improvements.
P.P. & P.I.	Personal property and possessory interest.
O.E.U.	Only those portions of the property used exclusively for religious, hospital, or charitable purposes meet the requirement for exemption.
E.U.	Portions of the property in excess of that reasonably necessary for the purposes of the organization do not meet the requirements for exemption.
O.F.L.	Portions of the property used by operator(s) who filed late are subject to late filing.
L.R.	Portions of the property leased or rented do not meet the requirement for exemption.
R.O.	Portions of the property used for retail outlet purposes do not meet the requirements for exemption.
N.I.N.	Portions of the property used to house personnel whose presence on the premises is not an institutional necessity do not meet the requirements for exemption.
P.V.P.	Portions of the property that are vacant or unused do not meet the requirements for exemption.
L.F. (90%)	Late filing. Filed with the Assessor between February 16 and the following January 1, 90% of any tax, penalty, or interest shall be canceled or refunded under the provisions of section 270 of the Revenue and Taxation Code.*
L.F. (85%)	Late filing. Filed with the Assessor after January 1 of the subsequent assessment year, 85% of any tax, penalty, or interest shall be canceled or refunded under the provisions of section 270 of the Revenue and Taxation Code.*

### INCOMPLETE

H.E.H.	BOE-267-H, <i>Welfare Exemption Supplemental Affidavit, Housing—Elderly or Handicapped Families</i> , not submitted. Obtain form from the Assessor.
H.L.I.	BOE-267-L, <i>Welfare Exemption Supplemental Affidavit, Housing—Lower-Income Households</i> , not submitted. Obtain form from the Assessor.
H.L.P.	BOE-267-L1, <i>Welfare Exemption Supplemental Affidavit, Housing—Lower-Income Households (Limited Partnership)</i> , not submitted. Obtain form from the Assessor.
R.L.Q.	BOE-267-R, <i>Welfare Exemption Supplemental Affidavit, Rehabilitation—Living Quarters</i> , not submitted. Obtain form from the Assessor.
N.F.S.	No financial statement. Need copy of most current statement of assets and liabilities (balance sheet) for the property location.
N.O.S.	No operating statement. Need copy of most current statement of revenue and expenses for the property location.
N.O.C.C.	No <i>Organizational Clearance Certificate</i> . The Assessor may not approve a property tax exemption claim until the claimant has been issued a valid <i>Organizational Clearance Certificate</i> from the State Board of Equalization.
F.N.C.	Incomplete claim. For reason, see comments on front of form BOE-267-F.

### REQUIREMENTS NOT MET

F.R.P.	This property (or portion of property) used for fundraising purposes is not considered to be used for charitable purposes within the meaning of section 214 of the Revenue and Taxation Code.
N.E.U.	Property is not used exclusively for religious, hospital, or charitable purposes within the meaning of section 214 of the Revenue and Taxation Code.
V.U.P.	Vacant, unused property does not meet the requirements for exemption.
P.N.R.	Property not recorded in the name of claimant as of the lien date, 12:01 a.m. January 1.
O.N.F.	Operator has not filed a claim for the welfare exemption as of the date of this finding.
O.N.Q.	Operator has filed a claim for the welfare exemption but has not qualified for the welfare exemption as of the date of this filing.
L.F.	Late filing. Filed with the Assessor after February 15. Claim not denied because of late filing, see other reason checked.

\* The total tax, including penalties and interest, shall not exceed \$250 in any one year on all property located within the county for which a claim that is filed late is subsequently approved. Tax bills resulting from late filed claims for exemptions from supplemental assessments are calculated individually by value date and are not included in the \$250 per claimant/per county/per year limitation.